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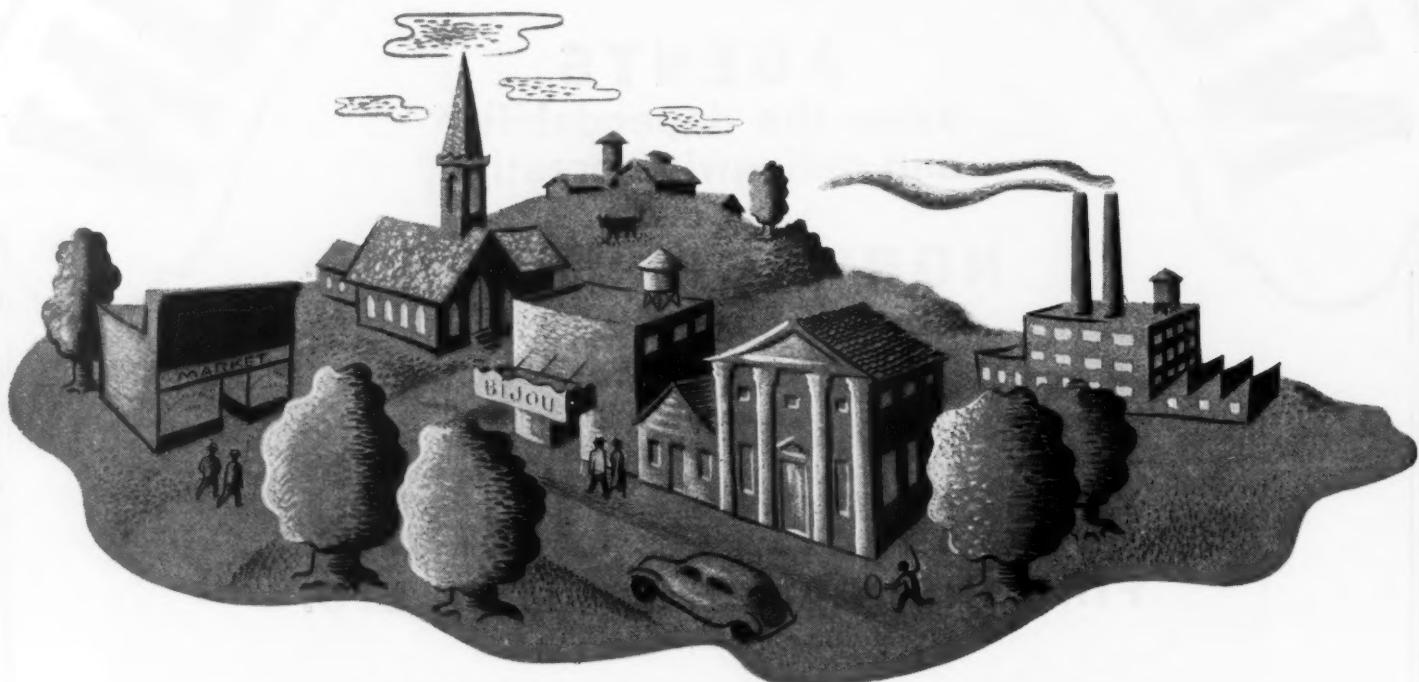
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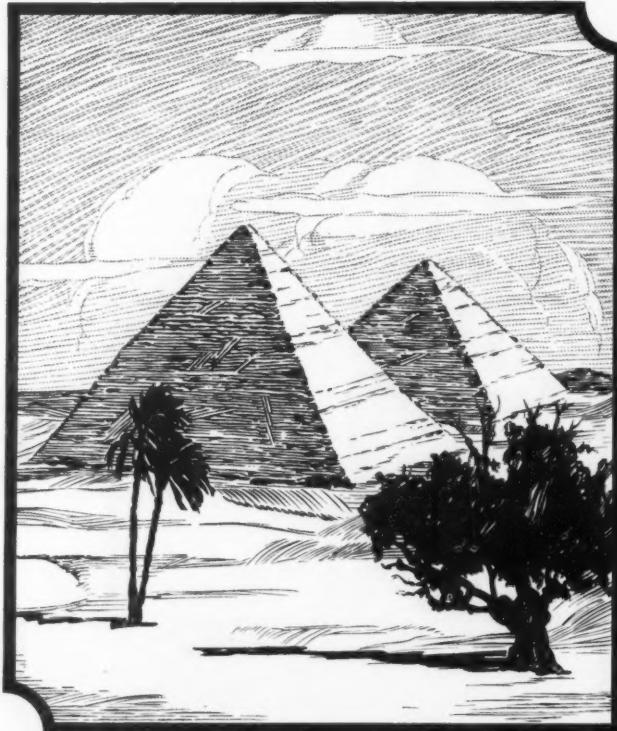
WESTERN DEPT.
ROCKFORD, ILLINOIS



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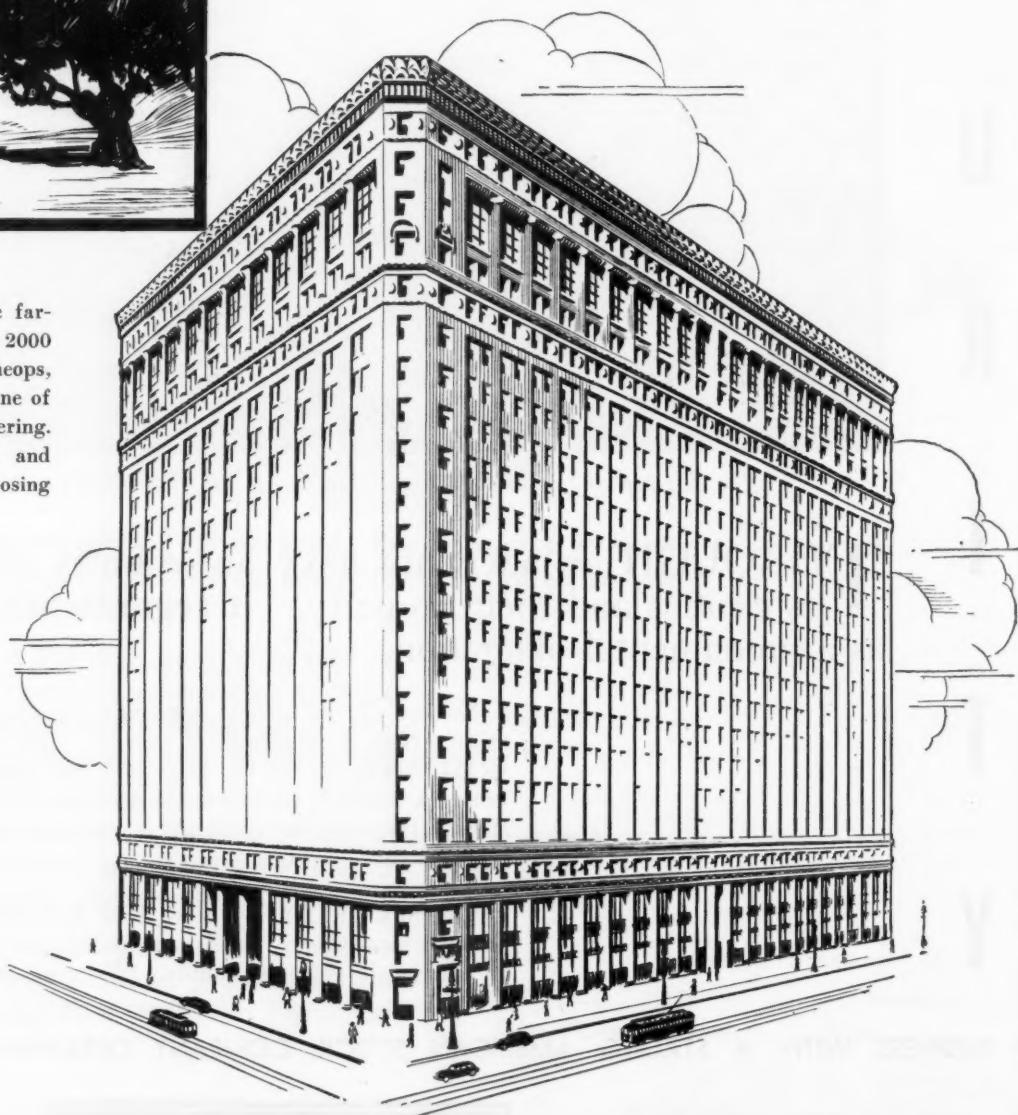
CENTERS OF CIVILIZATION No. 1



One of the oldest of these edifices is the famous Pyramid of Gizeh. Built before 2000 B. C., as the tomb and monument of Cheops, an early king of Egypt, it is even today one of the finest examples of massive engineering. The details of transportation, cutting and placing of the great blocks of stone composing this tomb is still an unsolved mystery.

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The NATIONAL UNDERWRITER

Forty-first Year—No. 42

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 21, 1937

\$4.00 Per Year, 20 Cents a Copy

Agency Contract Is Agreed To by Both Interests

Companies and Agents Reach Accord and Form Will Be Promulgated

NEW YORK—As the result of a conference here between representatives of the Insurance Executives Association, National Board and W. H. Bennett, general counsel National Association of Insurance Agents, a thoroughly satisfactory accord was arrived at regarding the intent of certain clauses in the form of agency contract recently approved, in so far as the America Fore companies were concerned, by the Treasury Department, and later accepted in 28 different states. All fire companies will now send out the contract to their agents, and in the light of the explanatory letter by Mr. Bennett, there is no doubt as to its acceptance by the local fraternity. The approved form of agreement accepted by the Washington officials was prepared by J. H. Doyle, general counsel National Board, in collaboration with the late Lamar Hill, general counsel of the America Fore group. Certain of its provisions were objected to by Mr. Bennett, and to such effect that many agents declined to accept it; two state associations, those of New York and Maryland, going upon record in such connection.

Haid Promises a Conference

Speaking before the Pennsylvania association at Bedford Springs last month P. L. Haid, president of the Insurance Executives Association, announced that a conference between fire company representatives and officials of the National Association of Insurance Agents would be held during the Dallas convention of the latter body in an effort to compose the certain differences. The conference proved a thoroughly harmonious one, a complete understanding as to the points in dispute being reached. The mechanics of phrasing the agreement were worked out here, all members of the National association being apprised in a circular letter issued by Mr. Bennett.

Casualty and Surety Case

This disposes happily of a troublesome problem insofar as the fire companies are concerned, but leaves it open as to casualty and surety institutions. The two latter types of carriers have had the matter under consideration for some time; a committee of the Association of Casualty & Surety Executives having submitted to the executive committee of that body, a form of agreement which it felt would meet the situation. Decision by the executive committee is expected within a day or two. In some quarters it is felt that policy adopted by

(CONTINUED ON LAST PAGE)

Magrath Comments on New York Code Features

J. J. Magrath of New York, now with Chubb & Son and former head of the rating division of the New York insurance department, spoke before the annual meeting of the Ontario Fire & Casualty Insurance Agents Association at Toronto. He analyzed some of the features of the proposed insurance code of New York. He spoke of the provision that calls for the filing of every "rule as to compensation to be paid to agents or brokers" and makes it an offense for anyone to pay or receive an excess commission. He said that the state would prefer to leave such matters to companies, agents and brokers for determination and enforcement but events have indicated that they are incapable of securing enforcement of their own rules. Mr. Magrath said that the state does not ask for greater power than it has today to determine the reasonableness of commission standards. It is asking for the power to enforce those standards because of the failure of those who established them to obtain compliance.

Expense Loading as to Size of the Risk

The new code, he said, prohibits unfair discrimination between risks of essentially the same hazards and the "same necessary underwriting expense." This change, he said, would allow a recognition of expense loadings by size of risks. Under the present law he said it is believed to be necessary to show that a different class of risk is involved to warrant the use of graduated loadings. In order to dispel that illusion the new law proposes to recognize the differences in necessary underwriting expense. Producers, he said, claim that they are made to be the largest contributors to the resulting reductions in rates.

While the present law permits an insurer to obtain, with the approval of the superintendent, authority to apply a uniform discount or surcharge to all rates of a rating organization, the new code permits the deviation to be obtained with respect to a kind or type of insurance. Mr. Magrath said that the judicious use of discount approval is the safety valve in rating laws.

Pioneering Found in Inland Marine Field

He said that the spirit for adventure and pioneering is most prevalent among inland marine transportation people. He declared that that spirit should not be broken by putting some other yoke upon it. Mr. Magrath stated that unsympathetic fire underwriters have conspired with rating organizations to use the power of state government in hampering the inland underwriters but this has not become a major problem. The "modus operandi," he said, is to invoke the use of filed rates for all hazards not excluded from the coverage.

Kinds of insurance authorized in the code include a broadening of fire coverages, he added. The present law limits

explosion insurance issued by fire companies so as to exclude boiler explosion. The new law would eliminate that restriction. A very material improvement in the power of fire and marine companies, he said, is contained in the provision that they may write supplemental insurance of property. This, he stated, is not the usual named peril coverage but might better be described as "bridging the gap" between named perils and all risks.

Breaking Down the Barrier Between Carriers

Mr. Magrath said the question may be asked as to why the new code does not break down the barrier between fire and marine companies and casualty and surety companies. In theory there is little excuse for continuing the division but practical considerations are against the change, he said. For years many additional companies were organized solely to enable the parent company to offer facilities in the other underwriting field through its affiliate. Mr. Magrath, in commenting further on this subject, said: "To place this excess number of companies in competition and to enable each to appoint a full complement of agents where there are now scarcely enough good agents to go around, would be a serious sacrifice on the altar of theory. The change was therefore limited to a broadening of powers and implementing underwriters to meet the demands of progress without revolutionary changes."

One change in the proposed code permits a corporation to be licensed as a life agent while the present law limits licenses to persons. The new code permits the brokerage of life insurance which was not previously allowed by law.

Reserve Funds and Classes of Investment

Speaking of investments, he said the capital requirements of all companies are increased and a stricter investment program prescribed for fire and casualty companies. This is designed for the protection of policyholders and is based, he said, on many years of experience. Reserve funds held for policyholders protection must be invested in securities of the kind required for life companies under the New York law.

Organization requirements for mutuals are made more severe but certain ones having a given surplus are permitted to issue non-assessable policies.

Mr. Magrath said that the most prolific source of waste is still the payment of overwriting commissions or any commission above brokerage to those who do not earn it. The cure, he thinks, is a qualification standard to entitle an agent to anything better than brokerage commission. The problem is to draft the standard and then to enforce it.

Policyholders whose premium costs run into thousands of dollars, Mr. Magrath observed, must inevitably examine

(CONTINUED ON LAST PAGE)

Western Insurance Bureau Holds Fall Meeting

H. A. Clark Reports on Salvage and Printing Com- pany Situations

HOT SPRINGS, VA.—The situations surrounding the Underwriters Salvage Company of Chicago and Uniform Printing & Supply Co. were treated by H. A. Clark of Chicago, vice-president of the Firemen's, in his report as chairman of the board at the meeting here of the Western Insurance Bureau.

Attendance at the Bureau meeting is exceptionally large, there being a number of eastern company officials and wives present. Following committees were appointed: Press, Wm. D. Reed, Northwestern National and J. C. Hiestand, Ohio Farmers; entertainment, W. E. Wollaeger, Concordia and L. W. Brown, Firemen's.

The semi-annual meeting of Western Sprinkled Risk Association was held Wednesday and presided over by E. S. Inglis, Corroon & Reynolds, its president. Report of George N. Porter, manager of the association, shows splendid progress.

The W. I. B., Mr. Clark said, is thoroughly in sympathy with the financial reorganization plan of Underwriters Salvage. He recalled that he attended recently the informal meeting on the subject held in Hot Springs during the convention of the Western Underwriters Association.

The W. I. B. in December, 1935, loaned Underwriters Salvage \$2,500 on a demand note without interest, he recalled. The W. U. A. also made a loan. Underwriters Salvage had to have cash at that time because its surplus had been reduced to a point where it could not meet its financial obligations.

No Improvement Shown

Due to a general shrinkage in salvage operations, the financial position of Underwriters Salvage has shown no improvement since that time. A special committee of the salvage company directors, of which Mr. Clark is a member, has been formulating a plan of reorganization.

Briefly, the plan provides that Underwriters Salvage function solely as a service corporation; that the capital structure be changed and the existing bonds exchanged for stock which would be retired if and when the operations warrant it. This plan would leave Underwriters Salvage in a position where it would have no demand liabilities to embarrass its operations other than for current expense. The corporation would be assured an operating income and funds necessary for payment of dividends for the holders of the preferred stock and ultimate retirement of that stock.

(CONTINUED ON LAST PAGE)

O'Malley Ousted As Missouri Superintendent

G. A. S. Robertson Named Successor to Fiery Official by Gov. Stark

Insurance Commissioner R. Emmet O'Malley of Missouri, not unexpectedly, was ousted from office Tuesday of this week by Governor Stark. His place is taken by George A. S. Robertson of Marshall, who served as a deputy in the Missouri department until removed by O'Malley for "non-cooperation."

The action was foreshadowed by recent developments in the famous and prolonged litigation in connection with fire insurance rates in Missouri.



R. E. O'MALLEY

In 1935, Mr. O'Malley entered into an agreement with the fire companies to dispose of that litigation and distribute premiums that had been impounded since 1930 according to a formula which his adversaries undertook to interpret as being against the interests of the policyholders. In accordance with that agreement the litigation that was pending in the federal court was dismissed but a few cases remained in the state court.

Repudiation of Compromise

Just the other day, Gov. Stark instructed O'Malley to repudiate the compromise so far as the state court cases are concerned and fight these cases to the limit on their merits. This caused Mr. O'Malley to splutter. He is impetuous and ferocious with his tongue when stirred. He made some vitriolic statements regarding the governor in an address last week before the meeting of the Missouri Association of Insurance Agents in Columbia and in interviews with the newspapers.

Last July Gov. Stark reappointed Mr. O'Malley conditionally for one year, announcing that if the commissioner should cross him during that period he would be summarily dismissed. Stark didn't want to reappoint O'Malley at all, but at that time apparently he felt enough obligated to T. J. Pendergast, Democratic political boss of Kansas City and O'Malley's sponsor, to agree to the probationary appointment. Pendergast is credited with having almost single-handedly brought about the nomination and election of Stark, but subsequently the two had a bitter falling out.

(CONTINUED ON PAGE 36)

Michael Southern Manager of Fireman's Fund Group

Assistant Manager in Atlanta Succeeds Late C. A. Bickerstaff in That Territory

Russell W. Michael has been appointed manager of the southern department of the Fireman's Fund group to fill vacancy caused by the death of Manager Charles A. Bickerstaff.

Assistant Manager Frank A. Sewell will continue the supervision of the specialized duties he has so efficiently performed for many years.

Mr. Michael is one of the very few departmental executives who has come up with the same company from boyhood. Messrs. Michael and Sewell and Chief Accountant C. P. Roberts have an aggregate service of more than a century for the company in the south. Mr. Michael's service extends over a quarter of a century, while Mr. Sewell and Mr. Roberts have been associated with the southern department for 35 years

(CONTINUED ON PAGE 36)

Will Not Stay in Agencies That Take Representation of Participating Companies

The decision of the Pacific National Fire of California not to remain in nor to make plants in agencies in Tennessee, which also represent stock companies using a participating plan is announced by John P. Holmes, executive special agent, at Atlanta, whose jurisdiction includes Tennessee.

The company also will not appoint as agents any bank, financial institution or any other affiliated organization.

In its announcement, the company states that it realizes that every company and every agent is entitled to offer what ever plans of coverage, as well as any method of operation, whether participating or otherwise, but that its decision is taken solely in line with the company's program. The announcement of the company's decision was made at the recent session of the Tennessee Association of Insurance Agents at Chattanooga.

The Firemen's of Newark has declared a semi-annual dividend of 15 cents a share, payable Nov. 15.

THE WEEK IN INSURANCE

Annual meeting of **Western Insurance Bureau** is held in Hot Springs, Va.

Page 3

* * * Accord is reached between the National Association of Insurance Agents and the fire companies over the agency contract and the form will be promulgated.

Page 3

J. J. McGrath of Chubb & Son, formerly of the New York insurance department, spoke before the Ontario Fire & Casualty Insurance Agents Association.

Page 3

A. W. Weller of Mitchell is elected president of **South Dakota Fire & Casualty Agents Association** at annual meeting in Sioux Falls.

Page 5

Charles F. Liscomb gives first address as president of National Association of Insurance Agents at Missouri agents' meeting.

Page 8

Reconsideration of **workmen's compensation commission reduction** in Wisconsin asked by President Bird at Wisconsin Agents Association meeting in Oshkosh.

Page 5

Superintendent Pink of New York proposes self-policing for brokers.

Page 6

* * * Some controversial issues brought out over the hearing on the proposed **New York insurance code**.

Page 6

A. R. Monroe of Indianapolis, former president Newark Fire, has been appointed "czar" of the "Joys & Gloom" organization.

Page 12

* * * Program is announced for the annual convention of the **California Association of Insurance Agents**.

Page 12

* * * Tennessee Association of Insurance Agents annual meeting at Chattanooga.

Page 21

* * * Governor Horner of Illinois and State Insurance Director Palmer speak before the insurance division of the **Illinois Chamber of Commerce**.

Page 17

* * * H. J. Mortensen has been reappointed insurance commissioner of Wisconsin.

Page 16

* * * Oklahoma Association of Insurers at annual meeting asks companies' cooperation in making appointments to improve public confidence in stock insurance.

Page 20

* * * Call for state association unity made by President C. F. Liscomb of National Agents Association at Oklahoma Insurers annual meeting.

Page 12

* * * W. K. Maxwell has been elected president **Fire Underwriters Association of the Northwest**.

Page 4

* * * G. A. S. Robertson is appointed **Missouri superintendent** succeeding R. E. O'Malley.

Page 4

Northwest Body May Be Revived in Limited Way

Maxwell Elected President — Phelps Heads Life Members

The indications now are that the old time Fire Underwriters Association of the Northwest, which has been in a state of coma for eight years, will be revived at least in some limited way. At the annual meeting of the Life Members Society in Chicago Tuesday evening, W. J. Tipper, assistant manager Aetna Fire, was accorded the floor and called a meeting of the Northwest association, acting for John F. Stafford, Babson Park, Fla., who was the last elected president and has continued as such inasmuch as there has been no recent meeting. He announced that Mr. Stafford is resigning the office owing to the fact that he has retired from business.

Maxwell the New President

W. K. Maxwell, resident vice-president at Chicago in charge of the western department of Hanover Fire, was elected president of the Northwest association. R. A. Buckman of Chicago, state adjuster for the Royal, was chosen vice-president; Thomas M. Hogan, Chicago, state agent Dubuque F. & M., treasurer, and Carl H. Ingram, agency superintendent Great American, secretary. There were three directors elected, they being C. W. Ohlsen, western manager Sun; E. F. McAdow, Chicago, executive special agent Great American, and D. J. Harrigan, Illinois state agent St. Paul F. & M.

There were many expressions from the floor that indicated a general desire to have the association resuscitated and put into action along educational lines. The new officers and directors will canvass the situation and see what can be done. Mr. Buckman reported on the fund in the hands of trustees now amounting to \$5,276, the trustees being Mr. Tipper, Mr. Hogan and Mr. Buckman. Clem E. Wheeler, associate manager Hartford Fire, nominated the officers and J. A. McClelland, general adjuster Great American, put in nomination the directors. The Northwest association is 66 years old.

Phelps Heads Life Members

New officers of the Life Members Society are E. S. Phelps, Burlington, Ia., president; W. H. Lininger, resident vice-president western department Springfield F. & M., first vice-president; Fred W. Bowers, Babson Park, Fla., who was present, second vice-president; W. J. Sonnen, Chicago, secretary and treasurer; Holgar deRoode, Chicago, secretary emeritus. C. M. Cartwright, THE NATIONAL UNDERWRITER, was elected to honorary membership in the society, he being the only one holding that position.

Mr. Lininger reported for the memorial committee, 22 having died since the last meeting. W. R. Townley, who presided as president, served as president of the Northwest association just 25 years ago. R. L. Nicholson, Wisconsin state agent Michigan F. & M., was the leader of the chorus. Mr. Sonnen reported there are 916 members in good standing in the Northwest association. H. F. Atwood, who resides at St. Petersburg, Fla., and was former president of the old Rochester-German, is the oldest living member, joining in 1879.

A new class of 25 year members had as its spokesman, W. B. Flickinger, for (CONTINUED ON PAGE 36)

Missouri Agents Rename Clevlen as President

New Life Infused Into State Association During His Administration

OFFICERS ELECTED

President — M. L. Clevlen, Poplar Bluff.
Chairman Executive Committee—L. W. Garlich, St. Joseph.
First Vice-president — H. J. Wassweiler, Springfield.
Second Vice-president—W. J. Welsh, Kansas City.
Third Vice-president—W. A. Shelton, Unionville.
Secretary-treasurer — J. F. Barclay, Mexico.
Executive Secretary—J. W. Rodger, St. Louis.
National Councillor—L. E. Bright, St. Louis.

By J. C. O'CONNOR

COLUMBIA, MO.—The Missouri Association of Insurance Agents rounded out a successful year with a well attended convention and expressed its opinion of the live administration of President Morrison L. Clevlen by re-electing him and the entire slate of officers. A successful and outstanding agent in Poplar Bluff, Mr. Clevlen has infused life into the Missouri association. Last year, prior to his election as president, he was largely responsible for a phenomenal membership gain. This year a further increase was recorded and a once lethargic state association has been transformed into an organization commanding interest and activity in every part of the state. Mr. Clevlen has attracted favorable attention and won friends at recent National association meetings and several adjoining state gatherings. From the start to the finish of the meeting there was no question that his continuance in office was demanded by the members in a way that would brook no refusal.

The only change in the lineup of officers was the shifting of W. A. Shelton, Unionville, from first vice-president to third and the elevation of Messrs. Wassweiler and Welsh one notch each. Mr. Shelton has made it clear many times that he is not in a position to be considered as a future presidential candidate. His continuance as a vice-president, however, was urgently wished and at his suggestion the change was made to clear the decks for presidential possibilities.

Resolution on Local Board Rules

Because of the St. Louis situation, the meeting attracted a larger number of home and western department company officials than usual. The apparent settlement of the problem smoothed over a number of feared difficulties and no mention was made of the case on the convention floor, although it naturally was a prime topic of discussion whenever agents and company men gathered. A resolution was adopted to the effect that whenever a local board has difficulty in enforcing its rules it shall send a copy of the rule and a statement of the facts to the secretary of the Missouri association, who shall send it to every local board, with any recommendation the executive committee cares to make.

A new type of program inaugurated by President Clevlen met with general approval. There were only four speeches scheduled, plus a few reports of com-

Reconsideration of Cut on Compensation Fee Asked

President Bird in Administration Report at Rally of Wisconsin Agents Held in Oshkosh

By R. W. LANDSTROM

OSHKOSH, WIS.—Reconsideration of the workmen's compensation commission reduction by the National Bureau of Casualty & Surety Underwriters, looking toward full restoration of the former scale, was asked by President Hugh A. Bird at the annual meeting of the Wisconsin Association of Insurance Agents here this week. The association adopted a resolution at the Kenosha meeting some time ago setting forth the agents' contention that the arbitrary reduction was unjust and unnecessary. Mr. Bird noted that the commission scale was partly restored a few weeks after adoption of the resolution and believes that full restoration now is in order.

Part-Time Agent Problem

The problem of the part-time agent took important place in his report. He called on the companies to cooperate with agents in eliminating this evil. Growth of company-agency relationship is an encouraging factor in operations today, he said. He expressed especial satisfaction over arrangements that have been made for a conference on the controversial agency contract between representatives of the companies and the National association.

He also noted the ironing out by the Wisconsin department of certain inconsistencies in companies' practices relating to inland marine insurance, closer cooperation with the field men's group, and greater emphasis on the activities of the rural or small town agents. A number of regional meetings were held, including those at Fond du Lac, Madison and Eau Claire, and the rural agent situation thus was explored. These agents must be reached, Mr. Bird commented.

Mr. Bird's administration report also was signed by C. W. Hejda, executive committee chairman; W. B. Calhoun, national councilor, and J. G. Seidel, secretary-treasurer.

Wolff Represents National

Allan I. Wolff of Chicago, past president National Association of Insurance Agents, was the official representative at the Wisconsin meeting.

W. B. Calhoun of Oshkosh reported on the annual convention of the National association at Dallas. He said he observed that the business of insurance, similar to other lines, has changed and the progressive agents are systematically merchandising coverages instead of going at it in the old haphazard hit or miss way of the past. The value of the National association is being demonstrated more and more, he said. The spirit of cooperation between companies and organizations has continued to grow, and working conditions of the agents are better as a result.

Rural Agents Session

The added inducement of a special session for rural agents brought out a large delegation from the smaller communities. Despite a severe rain and sleet storm that threatened early arrivals Tuesday night an unusually large number registered at the Wednesday morning session.

A short conference was held Tuesday evening. In attendance were the wheel-horses of the Wisconsin association and representatives of the companies—field men, and Wallace Rodgers, Western Underwriters Association.

The rural sessions opened Wednesday morning with Hugh A. Bird of Beaver Dam, president of the state association

Busy Promoting Interest in Rural Agents Project



R. W. FORSHAY

R. W. Forshay of Anita, Ia., is busy these days promoting interest in the project of the National Association of Insurance Agents to enlist agents in rural communities. As chairman of the rural agents committee of the National association, Mr. Forshay appeared before the annual meeting of the South Dakota agents at Sioux Falls last week and is scheduled to address the Ohio agents' annual meeting in Toledo next week.

U. S. Fire Losses for Nine Months Given

The National Board estimates the fire losses of the country for September as totaling \$19,349,756, a decrease of 2.1 percent from those of the preceding month, and a 5.2 percent decrease from September, 1936. The addition of the September figures increases to \$209,600,799 the aggregate losses for the first nine months, less by \$10,376,183 than those for the corresponding period of 1936.

Figures by months for 1935, 1936 and 1937 are as here given:

	1935	1936	1937
Jan.	\$ 23,430,504	\$ 27,729,930	\$ 25,069,895
Feb.	25,081,625	30,909,896	28,654,962
March	24,942,703	29,177,406	29,319,029
April	23,267,929	25,786,835	26,663,854
May	21,238,205	21,479,380	21,437,739
June	18,499,675	20,407,485	19,524,765
July	19,293,619	22,357,020	19,812,485
Aug.	18,137,060	21,714,495	19,767,314
Sept.	16,541,882	20,413,537	19,349,756
Tot.	\$190,533,202	\$219,975,984	\$209,600,799

Chicago Motor Club Solicitors Now Sell Fire Cover to Householders

A deal has been made by the Chicago Motor Club with Northwestern Mutual Fire of Seattle, whereunder solicitors of motor club membership and automobile insurance for the Inter-Insurance Exchange of the motor club, will also solicit dwelling and contents fire risks for Northwestern Mutual. The Chicago Motor Club has had its reinsurance with Northwestern Mutual for several years. Northwestern Mutual is a member of the Chicago Board for rate filing purposes and hence board rates will be charged, but, of course, there is a dividend. The motor club solicitors are persistent and tenacious in their canvassing and it is not unlikely that quite a volume of dwelling business will be developed

Order Argus Charts. Casualty \$1, Fire \$1, both \$1.50. 420 E. 4th St., Cincinnati

South Dakota Unit Shows Vitality in Annual Meet

Agents Organization Maps Membership Campaign—A. W. Weller New President

NEW OFFICERS ELECTED

President—A. W. Weller, Mitchell.
Vice-president—J. E. Gorder, Aberdeen.

Secretary-treasurer — A. F. Smith, Mitchell.

Directors at large—Miner Shaw and George R. Barnett, both of Sioux Falls.

SIOUX FALLS, S. D.—Unimpressed by four consecutive years during which the membership has shown substantial gains, Fire & Casualty Agents of South Dakota, convening for their annual meeting at Sioux Falls, voted the appointment of a special membership chairman to conduct an aggressive campaign for new members.

The association now numbers 299 local agents, which exceeds figures for many states of greater population. The new chairman, to be appointed by President A. W. Weller of Mitchell, will be a member of the executive committee.

Recommendation that the new office be created was made by the resolutions committee and endorsed on the convention floor.

Registrations Number 126

The Sioux Falls meeting drew a registration of 126, with nearly 200 being in attendance at the banquet which closed the one-day session.

To supervise the state's share in the Business Development campaign, nine zone chairmen were named to work under supervision of the executive committee. They are:

J. B. Allen, Sioux Falls; A. N. Hoffman, Aberdeen, retiring president; Harry Swanson, Mobridge; Guy Ericson, Pierre; C. E. Van Vlaak, Rapid City; Fred Leach, Yankton; D. B. Richards, Huron; Roy Goepfert, Watertown, and J. A. Craig, Mitchell.

Change in Constitution

Amendment of the association's constitution was necessary before the zone chairmen could be named. The change was approved on the floor upon recommendation of the by-laws committee.

Passage of a "rigid" South Dakota drivers' license law was recommended by adoption of a resolution. The legislative committee was instructed to draft such a law and campaign for its enactment.

Selection of a 1938 convention site was left to the discretion of the executive committee, and the convention will undoubtedly be awarded to Mitchell. The agents followed their custom of electing a majority of their officers from the same city to facilitate easy transaction of business and making of plans.

J. E. Gorder Not Present

J. E. Gorder, Aberdeen, who was elected vice-president, was unable to attend the convention.

A noon buffet luncheon was presented to convention visitors by Denny P. Lemmen, veteran president of the Queen City Fire of Sioux Falls, the only stock fire company with its home office in the state.

George R. Barnett, president of the Sioux Falls local board, opened the convention, introducing Mayor A. N. Graff of Sioux Falls, who gave a brief address of welcome, and President Hoffman of Aberdeen, who responded.

(CONTINUED ON PAGE 48)

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Controversial Features in the Code Hearing

By GEORGE A. WATSON

NEW YORK—Shall we adopt the British method of permitting insurance companies to assume multiple lines of coverage under single contracts, or adhere to the long established practice of this state in restricting the forms of indemnity the different types of carriers may issue? Such was the challenge presented by Superintendent Pink, to company officials at the resumed hearing by the legislative committee upon the proposed new insurance code. He insisted decision in the matter be made by the company chiefs, declaring the problem was theirs and not that of the department.

Question Is Controversial

The question is one of the most controversial that has thus far been considered. While the statement was made that the large majority of both fire and casualty companies are stoutly opposed to any overlapping of writing powers, there is no question but that some strong institutions in both classes endorse the multiple line writing theory. The powerful North America group, for example, has flatly declared to such effect.

Largely because of the absence of casualty and surety officials, who were in attendance at the annual convention of the International Association of Casualty & Surety Underwriters at White Sulphur Springs, W. Va., H. J. Drake, general counsel of the Association of Casualty & Surety Executives, was not prepared to speak definitely for members on various matters raised, stating these were being considered by different committees, and asked they be heard later.

Conferences to Be Held

What will probably take place will be a conference, or series of conferences, between company men and department officials, in an effort to reach agreement on a number of moot questions in advance of the final legislative committee hearing.

Speaking for the American Institute of Marine Underwriters and the Inland Marine Underwriters Association, Major A. C. Thacher, counsel, urged retention of Section 150 of the present law in the new statute, declaring it admirably served the interest of insurers and insured, and in conjunction with the nation-wide definitions and interpretations, approved by the National Association of Insurance Commissioners and by the individual acts of a considerable number of states—including practically all having important marine interests—any change would be unwise. By its very nature marine insurance, Major Thacher asserted, must be governed by broad regulations. Any limitations militate against the frequently changing demands of commerce, national and international. Marine underwriters, he continued, have ever shown a willingness to cooperate with the department in any progressive move. If an amendment to the existing statute were shown to be necessary, they would be strongly in favor of it. Such condition, however, he contended, did not obtain.

Objections Are Raised

To the surprise of the authors of the revised code, objection was voiced by former Superintendent F. R. Stoddard and others, arguing that greater latitude should be allowed the superintendent to exercise his discretion. Prof. Patterson and those who aided in the code's preparation desired to avoid, if possible, any charge of bureaucratic methods, and thus restricted the discretionary power of the department head, hence their inability to understand the attitude of the critics.

The strict limitation permitted for the filing of annual statements and the imposition of penalties for non-compliance with the law, was objected to by Former U. S. Senator Felix Hebert of Rhode Island, speaking for the American Factory Mutuals, who instanced the inability of one of his companies to submit its statement on time because of the serious illness of its two chief executives though the company figures were all prepared. It was suggested that such situation could be met through an extension of time granted by the superintendent.

Sharp debate ensued over the law of New York in refusing entry into the state of any company writing elsewhere forms of indemnity not allowed in this state. L. J. Wolff, an attorney of this city, asserted the net effect of such restriction would be to limit the operations of companies in states of their domicile and in other commonwealths. It was further maintained that enforcement of the regulation by New York might induce outside states to invoke retaliatory measures, to the serious detriment of home institutions.

Retaliation Might Ensue

Restricting the lines of business a company may write in other states as well as in New York, though a long established procedure, has been challenged from time to time as being the exercise of extra-territorial jurisdiction. It was pointed out it may invoke retaliatory action by other states. That provision of the code which would make rating organizations bear the expense of their examination by the department, was criticised by Mr. Drake, who asserted the revenues of the department were now far in excess of the cost of their maintenance, and as bureaus were composed of companies already taxed heavily, it was manifestly unfair to add to their burdens.

In the opinion of H. C. Stoll of the Millers National, it should be feasible for fire and casualty companies to issue a joint personal property floater policy, the contributing offices each getting their percentage of the total premium charge.

To obviate the chance of rival interests gaining control of a mutual company Mr. Hebert recommended the number of proxies any party could vote, be strictly limited, holding that some of the offices he represented had such provision and found it satisfactory.

W. H. Bennett Is Heard

Consideration of the proposal to compel fire and casualty companies to invest the full amount of their unearned premium and loss reserves in the same type of securities required of life companies, was again reviewed. W. H. Bennett, general counsel National Association of Insurance Agents, and speaking for it, recalled the resolution adopted by its executive committee some years ago, warmly endorsing the proposition. Mr. Bennett declared that morally, though perhaps not legally, the items in question were trust funds, and hence companies should invest them in securities as devoid of speculative features as possible. He instanced the failure of the Union Indemnity of New Orleans, a number of years ago, that cost thousands of agents heavily in order to replace at their own expense indemnity for assured that previously had been in the defunct institution. While the failure of the Union Indemnity might not have been averted had its reserves been invested in a better type of securities, there would doubtless have been more salvage than that actually rescued.

(CONTINUED ON PAGE 49)

At the Helm



HERBERT A. CLARK, Chicago

Herbert A. Clark, vice-president and western manager of the Firemen's group, this week was at Hot Springs, Va., presiding over the deliberations of the Western Insurance Bureau, he being president and chairman of the board. Mr. Clark is acknowledged to be one of the leaders in his field and as head of his organization he shines with a bright particular light.

Life Members Society Greets Its Veterans

At the annual meeting of the Life Members Society of the Northwest Association in Chicago this week, Secretary W. J. Sonnen read the roll of members who have been connected with the organization for 45 years or more, they being H. F. Atwood, former president Rochester German, now living at St. Petersburg, Fla.; S. D. Andrus, former assistant western manager Providence Washington, now in the local business at Detroit; H. T. Lamey, Denver, former general agent Western and British America, now living in Oil City, Pa.; J. A. Kelsey, New York City, United States manager Tokio; D. W. Redfield, Los Angeles, former co-manager of the Pennsylvania Fire; W. A. Chapman, Evanston, Ill., former western manager Fireman's Fund; G. W. Blossom, Sr., chairman of the board Fred S. James & Co., Chicago; L. E. Hildreth of San Rafael, Cal., former general adjuster of the Hartford Fire at Chicago; H. N. Kelsey, New York City, former U. S. manager Hamburg-Bremen; A. J. Love, local agent in Omaha; F. M. Fargo, Minneapolis, former special agent United Firemen's; W. L. Steele, Nyack, N. Y., former western manager Niagara Fire; C. F. Barnard, San Francisco, former adjuster at Cleveland; A. E. Clough, New York City, former Michigan special agent London Assurance and now a member of the committee of losses and adjustments of the New York Board; C. L. DeWitt, Bronxville, N. Y., former assistant U. S. manager Eagle Star; W. E. Higbee, Cocoanut Grove, Fla., Fred S. James & Co.; M. P. Vore, Glencoe, Ill., formerly with the Eagle Star.

Omaha Agent Dies

A. G. Pinkerton, 66, a member of the Fell & Pinkerton Co., veteran Omaha local agent, died there from a heart attack. He was in the insurance business in Omaha more than 35 years.

An extra dividend of five cents per share, as well as the regular quarterly of 20 cents, will be paid by the New York Fire of the Corroon & Reynolds group, Oct. 30 to stock of record Oct. 25.

Self-Policing of Brokers Is Urged by Pink of N. Y.

Would Appoint Deputy to Sit with Grievance Committee of Associations

NEW YORK—If brokers want to emulate the medical societies and bar associations in self-regulation without resort to state authority or the courts, Superintendent Pink of the New York department would welcome such a move and would be glad to share the department's authority over brokers, in reasonable measure, with responsible brokers' organizations, he said in his address before the annual banquet of the General Brokers Association.

"While it is impracticable at this time to create a grievance committee representing the industry which will have exclusive jurisdiction, I would heartily welcome the appointment of such a committee to receive and act upon all complaints by or against brokers which may be voluntarily submitted to that committee," he declared. "I do not believe that we can close the door of the department to those individuals, however humble, who prefer to come to it direct rather than through their own organizations. On the other hand, I do believe that the great majority of brokers will voluntarily submit their case to a responsible professional committee."

Should Be Fully Representative

"If the brokers' organizations decide to appoint a grievance committee, it should be representative not only of the city of New York, where most of the work will be done, but of the entire state. At least one member should come from upstate. In order to fully cooperate with such a committee and enable it to function properly, command the attendance of witnesses, and to take testimony under oath, I would be glad to have the brokers' organizations recommend to the superintendent the names of men of higher standing who are identified with the business other than commercially . . . and from the recommendations I shall appoint one deputy, who would serve without compensation, to act as a close connecting tie between your committee and the department."

"The main purpose of the grievance committee is to act as a fact-finding and recommending body. The ultimate decision will, of course, have to lie with the superintendent of insurance. If brokers refuse to submit to the jurisdiction of the committee, the committee may present charges to the department which will be acted upon in the regular way. I feel certain that if you decide to carry out this plan it will be educational in the fullest sense, will make for a more genuine professionalization of the business and will be helpful not alone to the broker but to the department and to the state."

Pays Tribute to Stoddard

Mr. Pink paid tribute to former Superintendent F. R. Stoddard for his activity in urging that brokers undertake the same responsibilities that are borne by other professions, such as law and medicine and for his proposal of a grievance committee. Mr. Pink said he could not follow Mr. Stoddard's suggestion of appointing several brokers as deputy superintendents to help the committee function, because the insurance law demands that neither the superintendent nor any of his employes be directly or

(CONTINUED ON PAGE 49)

PUBLIC ENEMY NO. 1...

FIRE!

Fire, controlled, is man's diligent servant, gently warming the home and turning the mighty wheels of industry. Fire, unchained, is a demon of destruction.

Today and every day the demon fire will drive shivering families out into the cold, will gloat over misery and despair and will dance around the flaming pyre of cherished hopes, ambitions and treasures.

Ravaging fire will stalk the land, demanding and collecting a toll of thousands of human lives and untold millions of property values.

Insurance can replace property loss, but only tireless and intelligent application of every known safeguard will chain the demon to the task of serving mankind.

COMMON ENEMIES TO GUARD AGAINST

1. FIRE	9. LIGHTNING
2. MOTOR ACCIDENT	10. MARINE DISASTER
3. WINDSTORM & TORNADO	11. RAILROAD WRECK
4. PERSONAL ACCIDENT	12. FALLING AIRCRAFT
5. SICKNESS	13. EXPLOSION
6. DAMAGE CLAIMS	14. RIOT OR CIVIL COMMOTION
7. BURGLARY	15. EARTHQUAKE
8. ROBBERY	16. FORGERY
	17. DISHONESTY

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT
343 Rush Street, Chicago, Illinois

CANADIAN DEPARTMENT
461 Bay Street, Toronto, Canada

HOME OFFICE
and
EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT
220 Bush Street, San Francisco, Cal.

SOUTHWESTERN DEPT.
912 Commerce Street, Dallas, Texas

Hearing Elicits Few Ideas on Fuse Non-Tamperability

Left Up to Underwriters Laboratories to Set Standards as Well as Make Tests

NEW YORK—Efforts of the Underwriters Laboratories to elicit opinions as to what constitutes an acceptable standard of non-tamperability in plug fuses met with little success at a hearing conducted here by R. B. Shepard, electrical engineer of the laboratories, and attended by representatives of inspection groups, fuse manufacturers and public utilities. This leaves up to the Underwriters Laboratories the problem, not only of determining whether a given fuse meets a specified standard of non-tamperability but also of setting up the standard itself.

Householders and others whose electrical circuits are protected against overload by ordinary plug fuses are prone to bridge burned-out fuses with tin foil, pennies or a strip of the screw shell, thus restoring current but abandoning protection against fires caused by over-load. No fuse can be made fully non-

tamperable, since the user can, as a last resort strip off insulation either side of the fuse box and bridge the entire box with a piece of wire.

At the same time, it is felt that making bridging more difficult than it is with the common plug fuse would cause householders to choose the alternative of going out and buying a fuse as the less troublesome alternative. It is also possible that if sufficient difficulty were thrown in the way of bridging fuses, the fact might impress itself on users that fuses serve an essential purpose and should not be left out of the circuit.

In view of the essential impossibility of making a plug fuse absolutely non-tamperable, Mr. Shepard sought to find out how far it would be sensible to go in specifying the degree of non-tamperability a fuse should have since the more difficult a fuse is to bridge the more it costs, as a general thing.

Non-tamperable plug fuse installations were to have been required for approved rating effective in September of this year but the effective date was postponed at the February meeting of the electrical code committee of the National Fire Protection Association.

Every agent should read W. S. Crawford's noted book "The Background of Fire Insurance," \$1.25. The National Underwriter.

No Radical Changes in Program, Liscomb Promises

Gives First Address as National Association President at Missouri Agents' Meeting

COLUMBIA, MO.—In his maiden address as president of the National Association of Insurance Agents, Charles F. Liscomb, Duluth, told the Missouri Association of Insurance Agents that the new administration would make no radical changes in the program of the National association, but would carry on the work of former administrations, varying it only as required by new conditions and emergencies. In the selection of an executive committee he promised the choice of men who will not be hide-bound by sectional viewpoints but who will represent all parts of the country. He also declared that the association will strive to keep in mind the interests and viewpoints of both the large agents handling the biggest lines and the small writing producers.

(CONTINUED ON PAGE 49)

Postpone Missouri Rate Case Hearing to Nov. 2

Delay Granted Over Protest of Folonie, Company Counsel — Companies in Middle

The hearing before the Missouri supreme court scheduled for last Friday in the 16½ percent rate increase litigation affecting those fire companies whose cases are before the state court, was postponed until Nov. 2. The delay was granted because John T. Barker, one of the attorneys for the insurance department, is in a hospital in Columbia, Mo., recovering from the effects of an automobile accident.

R. J. Folonie of Chicago, attorney for the companies, resisted the delay, saying that the other counsel for the department was thoroughly familiar with the cases.

Rate Row Flares Again

The Missouri rate litigation which insurance people devoutly hoped had come to an end at last, flared with its old time fury when Governor Stark of Missouri demanded that the insurance department fight the cases in the state court to the last ditch, repudiating the compromise agreement into which the companies and Superintendent O'Malley entered in 1935 and on the basis of which the majority of the cases, which were before the federal court, were disposed of.

O'Malley has defended the compromise agreement right along and he expressed indignation that the governor should now demand that the pact be repudiated. A few days later he was removed from office.

Motion is Resisted

Mr. Folonie, in resisting the motion for a postponement, argued that O'Malley was the only administrative officer of the state involved in the litigation. He contended that neither the state nor the governor nor any executive of the state nor the governor in a public or private capacity is a party to the litigation or entitled to be heard in it nor have any of them, in law, any interest therein.

The proceeding is one by the insurance companies, he contended, against a legislative officer, who by law, may sue and be sued, and neither the judicial nor the executive department has any right or lawful privilege to inject themselves in any way into the controversy. The conduct of the case rests in O'Malley, who is in no lawful sense subservient to the executive department.

McPherson Agency Head

SAN FRANCISCO—S. J. McPherson, since 1933 special agent for the Netherlands and Caledonian-American in central and northern California, has been appointed agency superintendent here. He has been in the field since 1913, with the Fireman's Fund, Continental, Liverpool & London & Globe and Rolph, Landis & Ellis. He is immediate past most loyal gander of the San Francisco Blue Goose.

In addition to his greater duties, Mr. McPherson will continue to supervise his old territory temporarily.

Clarence Rich on Mend

Clarence A. Rich, vice-president of the Rossia, and Mrs. Rich, who were seriously injured in an automobile accident at Latrobe, Pa., some days ago, are in the Western Pennsylvania Hospital, Pittsburgh, where they probably will be confined for several weeks. Both, however, are on the mend as the result of excellent surgical and medical care.

Virgil McGhan has sold his agency at Osage, Ia., to W. H. Burns.

THE



"WHAT'S IN A NAME?"

SAID SHAKESPEARE.

. . . Well, when Lincoln and Hayes
and Garfield were President the OHIO FARMERS was
aptly named, being in those days primarily a farm-writing
company—and when, like many other companies of its
kind, it became a writer of general lines it was still "the
Ohio Farmers" because to those who know it well no
other name would do. "A good name."

OHIO FARMERS  INSURANCE CO.

Chartered · 1848 · Le Roy, Ohio



燕窩羹

Bird's Nest Soup

INCLUDED in the contents of General Stores in Singapore—insured by the Royal-Liverpool Groups—are such delicacies (specifically mentioned in the policies) as edible birds' nests and fish maws.

The nests, greatly prized by many orientals, are made by a species of swiftlets of the Pacific and Indian islands, and for the most part are used in the making of soups. The nests are sold for their weight in silver.



This is No. 2 of the series, "Round the World with the Royal-Liverpool Groups."
No. 3 finds the Groups in New Guinea.

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA
THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • STAR INSURANCE COMPANY OF AMERICA

Building Managers' Head Talks to Local Agents

Cincinnati President Commented on Some of the Insurance Features

Insurance problems of building managers were outlined by J. W. Pottenger, president of the Cincinnati Building Owners & Managers Association, at the first fall meeting of the Cincinnati Fire Underwriters Association. He said that he had found it more economical to secure three year rather than five year policies because of the negligible difference in premium over a long period and the fact that it could be more profitably utilized elsewhere. He criticised agents for not keeping sufficiently in contact with the needs of their assured. He said that higher liability limits should be sold. Five and ten limits on elevator liability are entirely inadequate, even for a small building, the difference in premium for higher limits being negligible in view of the additional protection obtained.

Agents have a tendency to assume too great an insurance knowledge on the

part of the building manager and do not take the trouble to explain the reason for their decisions. In one case, an agent renewed a policy on a five year basis when the assured wished a three year policy, not understanding that a \$3 minimum premium rule was involved and it was cheaper for him to have the longer term policy.

The county tax auditor in Ohio requires that the amount of insurance carried on a building be given when the property tax is paid. The question arose and caused considerable discussion as to what effect an insurance policy carried at three or four times the appraised building value would have on the tax assessor in increasing the value of the building for tax purposes. Reproduction costs are rising. It would seem that the factor of obsolescence would have to be considered. In Cincinnati a peculiar condition exists because of the low market values in the bottoms where there is a flood hazard although the building is perfectly good and has a much higher value to its owner.

Secretary J. F. Schweer reported on the meeting of the National Association of Insurance Agents. W. H. Alexander, reporting for the educational committee, said that the insurance class at the University of Cincinnati was filled and no applications could be considered.



Back to the STEADY PULL

*T*he big national convention is over. The Missouri, Oklahoma and Kansas meetings are winding up this month. Then it's a matter of getting back to the steady pull—and pulling hard!

KANSAS CITY FIRE & MARINE is eager to help YOU pull harder and steadier than ever before. Toward profitable new business and increasing personal income . . . By the way, ARE you one of our agents?

Marta T. Jones
PRESIDENT



KANSAS CITY Fire and Marine
INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH.

KANSAS CITY,
MISSOURI

Part of Agent, Adjuster in Loss Settlements Told

George W. Kline in Oklahoma Address Reviews Factors in Adjustments, Points to Be Avoided

The various factors that enter into the adjustment of a loss, the importance of each and points it is necessary to watch were brought out by George W. Kline, state supervisor Fire Companies Adjustment Bureau, in his address before the annual meeting of the Oklahoma Association of Insurers in Oklahoma City.

Essentially but two interests enter directly into a claim adjustment, he said, those of the claimant and the insurance carrier, but frequently the interest of the insurance agent and a mortgagee also must be given careful consideration.

Agent's Part in Adjustments

In taking up the agent's part in adjustments, he upheld the idea of qualifications requirements for the agent, inasmuch as under the laws and court decisions the agent has the fullest authority to commit the company he represents and is limited only by the conditions of the contract with his principal. However, he pointed out, any agreement made by the agent, in order to be binding on the company, must be in writing and attached to the completed contract. He emphasized the importance of this condition and warned the agents against telling any assured that he is fully insured. He referred to the progressive increase in coverage under automobile forms and said that even under the present comprehensive form, the agent who says that the policyholder is fully insured is in error, because even the latest and most liberal form excludes pilferage of tools and repair equipment and damage to mechanical failure.

"You may have written an insurance policy for a customer and promised to keep it renewed," he said. "No harm can result if the insurance is actually written, but suppose the renewal is overlooked. Can you be the agent for the company and for the assured at the same time? The law says not."

Contract One of Checks, Balances

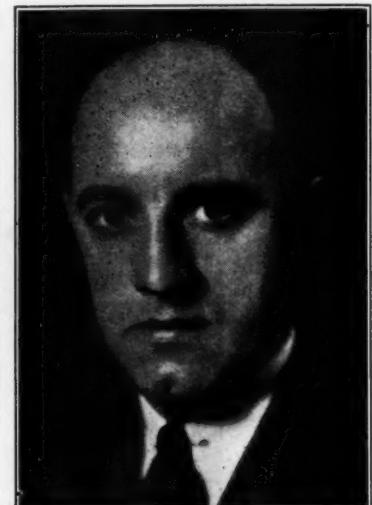
The claimant must be in possession of an insurance contract. Usually this is a printed document signed by the agent, but insurance contracts need not necessarily be written. He referred to the fact that many claims have been paid because the agent had agreed with an assured as to the amount and nature of the insurance to be written. The actual issuance of the visible contract is but an incident which supplies a record of the agreement which has been made. Naturally the prudent agent will avoid trouble by making some record of the agreement, instead of depending on his memory, and possibly having his veracity questioned by his company in case of loss before the insurance is written. The standard insurance policy, he said, is composed of checks and balances which are designed to keep the agent, the adjuster and the assured each in his proper place. In that connection he paid his respects to the valued policy law idea and the efforts which are being made to extend it in certain states.

Mortgagee Well Protected

The mortgagee is recognized by means of one of two endorsements or riders—in the case of a chattel mortgage the loss payable clause and on real estate the full contribution mortgage clause. The protection given the mortgagee by this latter clause, he said, is unique, in that it is more liberal than the policy itself and costs the mortgagee nothing. With a few limitations, it fully protects the mortgagee's interests to the limit of the policy, even though by the

(CONTINUED ON PAGE 49)

On the Circuit



GEORGE W. SCOTT

George W. Scott, assistant secretary National Association of Insurance Agents, is getting well acquainted with his constituents in various parts of the country, due to his appearances before various gatherings of local agents. His last appearance was at the annual meeting of the New Mexico Association of Insurance Agents in Carlsbad. He is in charge of the membership department at national headquarters.

Last Chapter Is Now Written in the Sensational St. Louis Controversy

ST. LOUIS—The executive committee of the Fire Underwriters Association Wednesday readmitted to membership the following class 1 members:

Charles L. Crane Agency Company; J. Arthur Corbett; Gatch, Tennant & Co.; F. H. Kreismann; G. C. Meisenbach; Eugene G. Monnig, and United Insurance Agency and also practically all of the class 2 members who had been expelled for being out of line with the in-and-out rules of the organization as applied to the Marsh & McLennan-Case, Thomas & Marsh situation.

Other class 2 members who have not yet applied for readmission are being advised that if their agency situation is now clear and they are otherwise eligible they will be taken back into the association.

Within the past week the controversy that resulted when the executive committee refused to admit to membership the Marsh & McLennan-Case, Thomas & Marsh agency came to the showdown stage and when Home of New York and Aetna Fire dropped the Marsh & McLennan affiliate from the list of their local agents, the way was paved for a number of the expelled agents to get in line.

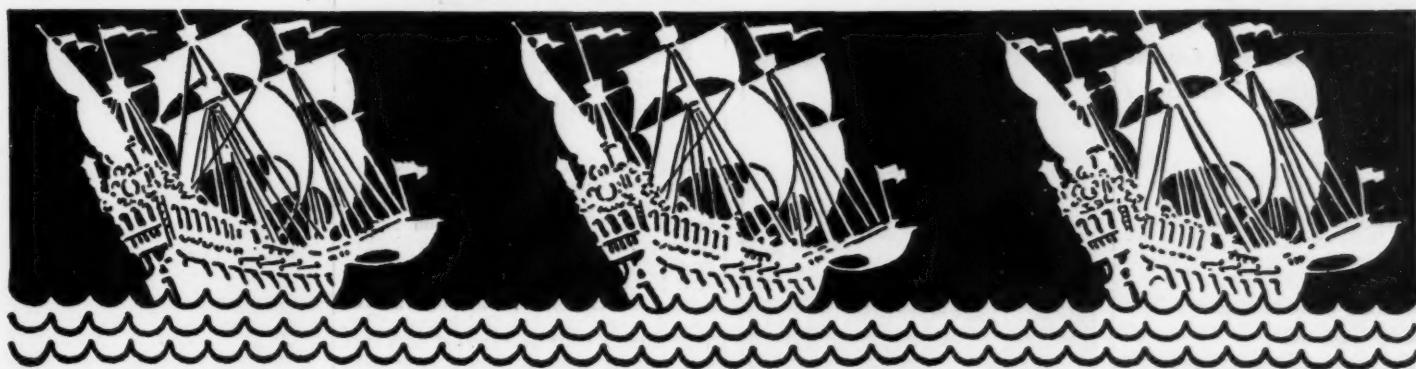
Dropped Several Companies

The Crane agency, headed by A. L. McCormack, a former president of the Fire Underwriters Association, recently dropped its companies that had elected to remain with Marsh & McLennan-Case, Thomas & Marsh.

In the meantime E. G. Marsh, Jr., of Marsh & McLennan-Case, Thomas & Marsh, has denied reports that his agency is taking on four new companies. He said that four companies are remaining in that agency and provide ample facilities to handle all of its fire business.

Marsh & McLennan officials have clearly indicated that they intend to remain in St. Louis on a non-board basis.

Read "Surety Bonds" by Lunt. \$3.50. Order from National Underwriter.



PEARL AMERICAN FLEET

PEARL ASSURANCE CO., LTD.
(United States Branch)



**EUREKA-SECURITY FIRE &
MARINE INSURANCE CO.**



**MONARCH FIRE INSURANCE
COMPANY**



80 JOHN STREET, NEW YORK

CLEVELAND, O.
Cuyahoga Bldg.

CINCINNATI, O.
1724 Carew Tower

PHILADELPHIA, PA.
525 Chestnut St.

CHICAGO, ILL.
175 W. Jackson Blvd.

SAN FRANCISCO, CAL.
200 Bush Street

California Agents Planning an Interesting Meeting

Program Is Announced for the Annual Convention of the State Association

The program for the annual convention of the California Association of Insurance Agents to be held at the Roosevelt Hotel, Hollywood, Nov. 8-10 is announced. G. C. Appleton of Fresno is president. The program is:

Morning Session, Nov. 8

Address of Welcome.

Greetings from the Insurance Exchange of Los Angeles, Harry Perk, Jr., president.

Greetings: California Association of Insurance General Agents, E. C. Fox, San Francisco, president; Casualty Managers Association, Joseph E. Joseph, chairman; Pacific Board, R. H. Griffith, San Francisco, president.

Annual report of the administration, G. C. Appleton, Fresno, president.

Address, S. L. Carpenter, Jr., insurance commissioner of California.

Appointment of committees, resolution and nominating.

Announcements, Walter Akers, chairman convention committee.

Afternoon Session

"Important Changes That Have Taken Place in the Business World, Particularly in the Past Ten Years," J. R. Douglas, vice-president Security-First National Bank, Los Angeles.

"The Agents' Responsibility in Applying Insurance to the Needs of Modern Business," H. W. McGee, Wren & Van Allen Co., Los Angeles.

"Efficient Office Management," Oscar Beling, New York City, Royal-Liverpool Groups.

"Security Behind the Contract," F. S. Dauwalter, director Business Development Office, New York.

6:30 p. m. Stag dinner.

Tuesday, Nov. 9

10 a. m. Conference of field men and F. S. Dauwalter.

Executive session for agents only.

The agenda of this session consists of reports by chairmen of standing and special committees, together with several subjects upon which the executive officers desire free discussion. Other subjects relating to the insurance business which members wish to discuss should be presented at this session. Frank talk is requested.

Afternoon

Executive session continued.

7 p. m. Past presidents' dinner.

Wednesday, Nov. 10

An outline of the insurance needs of the individual and a discussion of the appropriate forms of coverage which should be recommended.

Discussion, Insurance on the Home. "Liability of the Home-Owner or Tenant," Harold Barnhart, Buckman-Mitchell Company, Visalia.

Discussion: Complete coverage for the automobile and owner.

"Insurance on Personal Property," William T. Robertson, Oakland.

"Insuring the Personal Income." Speaker to be selected.

The probability of the loss of income of the head of the family from disability or death is greater now than ever before. Do local agents consider this condition in providing for the insurance needs of their clients?

12:15 p. m. Luncheon at Hotel Roosevelt. Election of officers.

Afternoon Session

The mercantile establishment — an analysis of insurable hazards and appropriate coverages needed.

"The Stock, Fixtures and Building." Speaker to be selected.

"The Liabilities." Raymond Nettleship, Nettleship Company, Los Angeles.

"Financial Losses." Speaker to be selected.

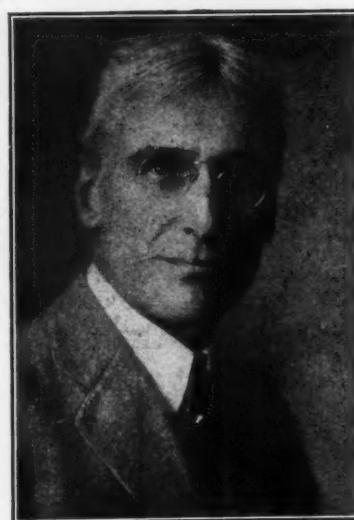
"Crime Losses," H. Everett Charlton, Seyler-Day Company, Los Angeles.

"Practical Methods of Premium Financing." Speaker to be selected.

"Selling Insurance," Carroll-Page-Fisk, Pasadena.

7 p. m. Annual banquet.

Institute Speaker



HENDON CHUBB

President W. D. Winter of the Insurance Institute of America, announces that Hendon Chubb of Chubb & Son, New York City, will deliver an address at the annual luncheon of the Institute on Oct. 26 at the Hotel Pennsylvania.

Connecticut Agents Meet in New Haven on Oct. 28

The annual meeting of the Connecticut Association of Insurance Agents will be held at the Hotel Taft, New Haven, Oct. 28. It will start at 11 a. m. and continue throughout the day.

The morning will be devoted to reports of officers and committees and election of officers.

Frank W. Brodie, chairman New England advisory board and national councillor of Connecticut, will lead discussion on "Qualification in Connecticut."

The afternoon speakers will be: Harold Moulton, director of research American Optical Company, Southbridge, Mass.; Burton B. Gracy, general adjuster Hartford Fire, Hartford; Commissioner Blackall of Connecticut, and W. H. Bennett, secretary National Association of Insurance Agents.

L. F. Whelan of Greenwich is president; H. L. Bailey, Jr., of Graton, vice-president and J. R. Belcher, New Haven, secretary-treasurer. H. W. Hatch, New Britain, and T. A. Sturgess, New Haven, are honorary vice-presidents.

Indianapolis Agents Elect

R. C. Fox was re-elected president of the Indianapolis Insurance Agents Association at the annual meeting. C. C. Duck and Jos. W. Stickney were respectively elected vice-president and secretary-treasurer. Fisk Landers, W. K. Pruyne and W. K. McGowan, directors. Mr. Fox made an excellent report of the Dallas meeting which was well received. Considerable discussion developed over the question of developing a more substantial organization with a full-time secretary. A committee had already been appointed on this matter and a motion carried authorizing the committee to draft a plan to submit to a later meeting. The majority of the agencies are already members and the nucleus of a strong organization has already been formed.

New Wichita Partnership

WICHITA—The Beezley-Webb Insurance Agency has been formed at Wichita, Kan. Lee J. Webb, since 1919 a member of the Blandin & Webb agency, has withdrawn to join Elmer C. Beezley, who had operated individually

State Association Unity Is Called for by Liscomb

National Agents Association President in Talk Before Oklahoma Insurors Annual Meeting

The "new era of understanding" between companies and agents that was talked about at the Dallas annual meeting of the National Association of Insurance Agents is nearer at hand than most agents think, C. F. Liscomb, president National association, told the Oklahoma Association of Insurors at the annual meeting in Oklahoma City. This entente must be nurtured with care and nothing done to disturb it, he said. It must be made a three-fold understanding — between companies, agents and the public and insurance departments.

Needs Strong Field Backing

Mr. Liscomb emphasized that the National association cannot move ahead in its plans without strong, vigorous united state associations. He said an individual state association frequently thinks its problems are unique. It is true that problems of giant metropolitan and other territories are dissimilar. However, generally the state association problems fall into a few groupings. Such problems, he said, should not be permitted to distract the state associations but should be considered and solved more in a routine way.

The National association is always willing to help in overcoming any difficulties, he said. The National association is interested primarily in fundamental principles.

Discusses Agency Contracts

For instance, Mr. Liscomb explained, the machinery was put in motion immediately the new agency contracts presented a problem. At Dallas, it was announced agreement had been reached in regard to the fire contracts, and an announcement will be made shortly by the National association as to the mechanics of working this out.

Mr. Liscomb asked for a vote of confidence in the new National association administration. He said that is all that is needed.

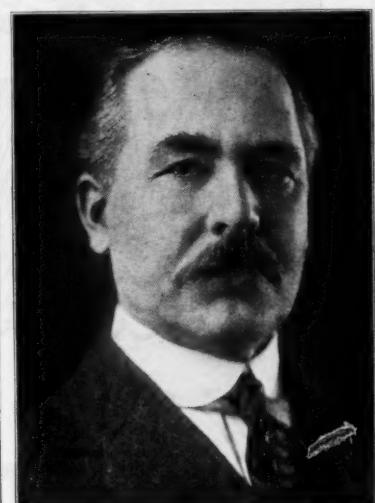
"No member or group of members has a right to say 'the administration should do this, or do that,' without helping to shoulder the responsibility," he said.

Finds Conditions Not Bad

Mr. Liscomb said National association apprehension over reports on Oklahoma conditions were allayed by the large state attendance at Dallas. The great membership growth, 25 thriving local boards, etc., indicate a strong state association. Oklahoma has kept any dissensions within its borders and not appealed to the National association, he said. He urged proceeding with all speed to stifle any discordant note and to maintain the association as a unified whole. The new era of understanding nationally depends absolutely on the understanding and coordination existing within the ranks, Mr. Liscomb said.

since April 1, when he withdrew from Dulaney, Johnston & Priest. Both members of the firm are well known in Wichita agency circles. Mr. Beezley first entered the agency field in 1928, heading the Beezley, Bauerle & Ingram firm, later consolidated with Dulaney, Johnston & Priest. Offices of the Beezley-Webb Agency are the former offices of Mr. Beezley at 706 Schweiter building. Mr. Blandin retains the former offices of the dissolved agency at 906 Schweiter building and will operate as the W. W. Blandin Agency.

The Czar



A. R. MONROE, Indianapolis

A. R. Monroe of Indianapolis, former president of the Newark Fire and prior to that assistant western manager of the Queen and formerly Indiana state agent of the Connecticut Fire, has been elected "Czar" of the "Joys & Gloom," the small, compact organization that held its dinner in Chicago this week. Mr. Monroe attended the banquet of the Life Members Society of the Northwest Association this week.

Northwestern National Labor Union Accredited

MILWAUKEE.—The Northwestern National Insurance Company Employees' Association, an independent union of employees of the local fire and casualty group organized last May, has been accepted by the Wisconsin state labor relations board as an accredited labor union. Hearings on the application for listing as a bona fide labor organization were held several weeks ago at which officers of the association testified that it was in no way dominated, controlled, financed or influenced by company officials.

Practically all of the eligible employees are members of the union, it was stated. The bargaining committee has secured wage and working hour revisions for the employees.

Charges that the company violated the state labor relations act when it recently discharged 27 employees were filed with the labor board by Harold Sheets, counsel for the union. It was alleged the employees were let out because of their activity in union organization and in obtaining wage increases for employees totaling about \$30,000 annually. It was alleged the additional wages were offset by the discharges. The charges were presented in the name of the individual employees before the union was listed by the board as an accredited labor organization. With the acceptance of the union Mr. Sheets announced that he will attempt to have the union made a party to the complaints filed against the company.

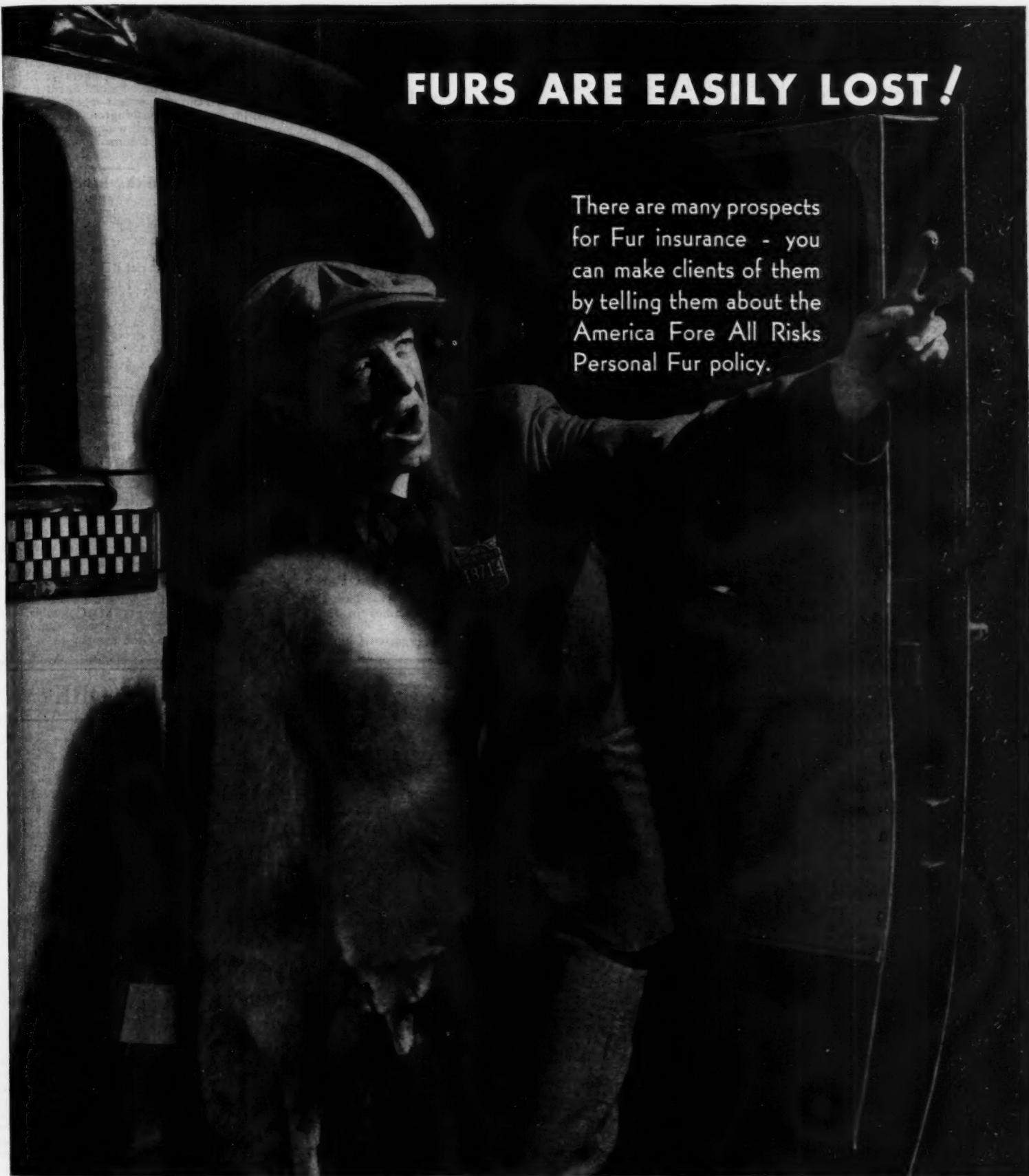
Kansas Mutuals to Meet

The Kansas Association of Mutual Insurance Companies will hold its annual meeting in Wichita Nov. 20-21. Secretary H. J. Ferguson of the Farmers Alliance of McPherson is arranging the program. C. T. Collins of the Republic Mutual of Belleville is president and E. C. Mingenback of the Farmers Alliance is vice-president.

The **Globe & Republic**, one of the Corroon & Reynolds fleet, has declared its regular quarterly dividend of 20 cents a share and an extra dividend of 5 cents a share.

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for Fur insurance - you
can make clients of them
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America Fore All Risks
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THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.



ATLANTA

DALLAS

MONTREAL

NEWS OF FIELD MEN

Chris G. Wonn Is Dead

Illinois State Agent of Northern, Distinguished Veteran in Field for Many Years

Christian G. Wonn, Illinois state agent for Northern of London, a distinguished veteran in the Illinois field ranks, was stricken in Quincy, Ill., while attending the outing there of the local board and died there three days later in St. Mary's Hospital in Quincy. About three years ago Mr. Wonn underwent a gall bladder operation at Rochester, Minn. After several months he got back on the job. Earlier this year he was guest of honor at an Illinois Blue Goose function in Springfield, the occasion being that he had completed 50 years in the fire insurance business.

At the time of his death he was secretary of the Illinois State Fire Prevention Association, a position he had held for many years. He was a past president of the Illinois Fire Underwriters Association and past most loyal gander of the Blue Goose. At the time of his death he was chairman of the Blue Goose visiting committee. His home was in Elgin, Ill., and funeral services were held there Tuesday afternoon. He is survived by his wife, Mrs. Edna J. Wonn.

Mr. Wonn was born in 1869. He entered the business as an office boy in 1887 with the Connecticut Fire in its western department. In 1910 he went with the Springfield Fire & Marine, remaining until 1913, when he joined the Northern of London. He was president of the Illinois State Board of Fire Underwriters in 1918 and 1919.

With Mr. Wonn when he died were his wife, who went to Quincy upon being apprised of her husband's illness; Robert Dievendorf of Chicago, Illinois special agent for the Northern; R. K. Johnson, National Union, president Illinois State Fire Prevention Association, and J. T. Woodroffe, manager at St. Louis for the Northern.

Riedinger in Wisconsin Post for National Union

The National Union has appointed Alfred P. Riedinger associate state agent in Wisconsin.

Mr. Riedinger started his insurance career in Chicago in 1919 with the Queen, subsequently went with the Niagara as Cook county special agent, and in 1927 was transferred to the Wisconsin field. He joined the National of Hartford as special agent in 1928, which connection he severed to accept the National Union appointment.

Mr. Riedinger will make his headquarters with State Agent Meeker at 741 North Milwaukee street, Milwaukee.

Illinois Blue Goose Activities

The Illinois Blue Goose is to have a stag party some evening in November. At that time a plaque will be presented to T. A. Pettigrew, manager Underwriters Adjusting, the winner of the Illinois Blue Goose golf tournament. John Chickering, agency superintendent of the Sun, and James Guy, automobile superintendent of the America Fore, have been appointed as a committee to make arrangements for the November dinner.

Nearly 70 turned out Monday of this week for the Blue Goose luncheon in Chicago which was addressed by John P. Carmichael, conductor of a sports column for the Chicago "Daily News." D. J. Harrigan, St. Paul F. & M., presided as most loyal gander.

A committee was appointed to study the proposal of Bankers National Life of New Jersey to issue some sort of group coverage on members of the Illi-

nos Blue Goose. Vice-president J. M. Webb of Bankers National Life approached P. J. V. McKian, wielder, on the idea. Bankers National has such a contract with the New York pond. The Illinois committee consists of W. J. Sonnen, retired, Mr. McKian and A. J. Meyer, Automobile.

N. J. Field Club Dinner

NEWARK—The entertainment committee of the New Jersey Field Club, of which A. K. Andrews is president, has arranged a series of interesting programs, the first of which will be held here Oct. 25. Prior to the entertainment, which will consist of experiments with liquid air by C. L. Rivers, a dinner will be held.

Aviation Film Shown

"Ceiling Unlimited," a color sound motion picture on aviation was the feature of the San Francisco Blue Goose luncheon Oct. 18. L. B. Daniels, president of Seeley & Co., was chairman.

C. W. Hitchcock with Yorkshire

Charles W. Hitchcock, who has been in Detroit about three years, connected with the Travelers and Marsh & McLennan, has joined the Yorkshire as Connecticut state agent with headquarters at 650 Main street, Hartford. He started in the business in 1917 with the Kentucky Actuarial Bureau. Subsequently he was connected with rating authorities for several years in Iowa and New England. Later he went with the Travelers and a Hartford agency.

Reserve Table for Field Men

INDIANAPOLIS—Over 20 field men gave a good start to the idea sponsored by the Blue Goose to have a regular table each Monday noon at the Indianapolis Board of Trade dining room here. The interest manifested at the first session indicated that the plan will be a success. Conferences can be held after the luncheon.

Dixie Fire's Wisconsin Move

The Dixie Fire, allied with the American of Newark group, has appointed the L. C. Dobbert General Agency, 611 North Broadway, Milwaukee, as general agent for the state. Mr. Dobbert has been active in the field in Wisconsin for over 10 years. He has a strong following.

Percy Putnam Critically Ill

Percy Putnam of Orlando, Fla., veteran state agent of the Automobile and Standard of Hartford, is critically ill in the Orange General Hospital in his city. He has traveled Florida for many years and has been in Southeastern Underwriters Association territory more than 25 years. His wife and daughter, who were visiting at Savannah, Ga., were called to Orlando on account of Mr. Putnam's serious condition.

Nebraska Study Club

OMAHA—Following the Blue Goose luncheon this week, the Nebraska Study Club met. E. V. Neuberger was in charge of the meeting, which was devoted to questions and answers pertaining to all classes of insurance. J. W. DuVall, Continental, is chairman of the club.

Plan for Business Development

W. J. Gilsdorf, North America, chairman of the committee in charge of the Business Development campaign in Ohio, has called a meeting of the members of the executive committee and the chairmen and vice-chairmen of the local committees in Columbus Nov. 8-9. It is expected that Wallace Rodgers, assistant manager Western Underwriters Association, Chicago, will attend. He

is also expected to attend the monthly gathering of the Ohio Fire Underwriters Association at Columbus Nov. 9. C. R. Welborn, secretary of the Underwriters Laboratories, Chicago, will exhibit a new film showing tests that have been made in an effort to remove fire hazards.

E. G. Green to Omaha

E. G. Green, who has been a special agent for the Hartford Fire at Lincoln, Neb., for the past 12 years, is moving Nov. 1 to Omaha, to take charge of the hail and farm department of the Hartford, which is being moved there from Des Moines.

Albany Field Club Meeting

Early reservation by those planning to attend the 25th anniversary dinner of the Albany Field Club, at the Hotel Ten Eyck, that city, on the evening of Nov. 19, is requested by the committee on arrangements, of which J. B. Dacey is chairman.

Borrett Iowa Pond Speaker

At Monday's luncheon meeting of the Iowa Blue Goose in Des Moines, C. W. Borrett, state agent Hanover Fire, showed a moving picture film of his recent vacation trip to Alaska. Mr. Borrett makes photography, including moving pictures, his hobby.

It was announced that a Business Development meeting will be held in Davenport Nov. 10. On Nov. 9 Iowa field men are invited to Waterloo to a duck dinner similar to the one staged last year under the supervision of H. Verne Myers, stage agent Security of New Haven.

Old Fashioned Iowa Party

DES MOINES—The Iowa Blue Goose and the ladies of the auxiliary jointly are staging a dinner and bridge party at the Hyperion Club here Saturday.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

CATANESE IN SUBURBAN FIELD

The Commercial Union group has appointed J. A. Catanese as special agent in the New York suburban field with headquarters at 163-18 Jamaica avenue, Jamaica, N. Y., associated with Special Agent L. B. Burkert and G. F. Nelson. Mr. Catanese has been with the Commercial Union for many years and has handled positions in both the underwriting and brokerage and service departments.

GROUP'S POLICIES IN NEW DRESS

The America Fore group has put all its policies in attractive new dress, with a colored border and color design worked into each trade-mark. Cellophane envelopes are used in this modern packaging idea. "Many alert concerns are increasing consumer demand and acceptance by improving the appearance of their package," President B. M. Culver said. "There is no reason why we should not follow through with the same idea in our business. The insurance policy is the package that is delivered into the hands of our consumers. Although it is a contract, the value of which depends upon the strength and character of the company behind it rather than its physical appearance, there is no doubt that most agents and brokers will prefer to deliver a more attractive looking policy than has been current in the insurance industry in the past. The assured himself will be more impressed with an attractive and neat policy."

LA GUARDIA PRAISES DEPARTMENT

In commanding the New York fire department for its excellent work, Mayor F. H. LaGuardia said the per capita loss in 1936 was \$1.05 compared to \$2.48 in 1932 and that the record for the first six months of the present year indi-

cated a still further reduction. The aggregate fire loss of the city for 1933, 1934, 1935 and 1936 respectively was given as follows: \$9,723,535, \$9,426,515, \$8,731,565, and \$7,732,830. This satisfactory condition, the mayor asserted, was due to the elimination of politics from the department, and the new and thoroughly modern equipment with which it has been supplied.

UNPAID PREMIUMS DECREASE

Unpaid earned premiums of fire companies in May amounted to \$14,642, decrease \$2,620 as compared with the same month in the previous year. Manager Charles Stulz of the Central Bureau of New York reports to the New York department. Unpaid earned premiums of casualty companies were \$84,172, decrease \$17,023.

RESPONSES ARE INDEFINITE

Though the New York department had replies from all fire companies operating in the state to its questionnaire as to the scale of commission paid in each of the four jurisdictions controlled by New York Fire Insurance Rating Organization, the response of some of the carriers was so indefinite as to suggest to the department officials the wisdom of issuing a second questionnaire, requiring more specific data. Whether this will be done has not yet been decided.

SHOULD PURSUE STUDY PROGRAM

Age or length of service are no longer proof of a complete insurance education in a modern, progressive company, E. W. Nourse, United States manager of the London Assurance, declares in the issue of the company bulletin, "Lonchat ter."

Commenting on the recent organization of a small company library, Mr.

October 21, 1937

Nourse points out that "the day is past when mere persistence to routine and the passing of time can lift a youth from a minor clerical job to a responsible executive position."

"Younger men coming into an insurance company these days—whether they have a grammar school certificate or a college diploma—have to be far more aggressive mentally than their predecessors of a generation ago," according to Mr. Nourse. "They must be alert to the constant changes in insurance practice and to the ever-widening scope of the industry. Only by some planned program of study can they hope to keep abreast of developments. Older men in insurance can be thankful for the solid foundation of knowledge they were able to acquire in days of less stress and change. But it means they have a greater responsibility to keep pace with the new generation that is not only willing but anxious to learn the business."

EXAMINERS HEAR M. W. MAYS

M. W. Mays, assistant director Business Development Office, addressed the Insurance Examiners Association of New York at its first fall luncheon meeting on "Non-stock Competition."

LARGE SEPTEMBER FIRES

The New York "Journal of Commerce" lists these fires in September which are estimated to have caused \$100,000 damage or more:

Portland, Conn., bone fertilizer factory, \$150,000; Baltimore, amusement park buildings, \$250,000; South Attleboro, Mass., woodworking and lumber plant, \$150,000; Paterson, N. J., clothing store, \$100,000; Pine Valley, N. J., dwelling, \$125,000; Weehawken, N. J., drug plant, \$300,000; Hamburg, Pa., steel mill, \$100,000; Huntsville, Ala., fair ground buildings, \$150,000; Arcadia, Fla., idle packing house, \$100,000; Morton, Miss., lumber company, power plant, sawmill, machine shop and grading room, \$100,000; Hillsboro, Tex., cotton warehouse, \$250,000; San Antonio, aerial survey concern, antique shop and filling station, \$100,000; Salem, Va., milling plant, \$120,000.

Also: Chicago, Swift plant, \$150,000; Fort Dodge, Ia., National Gypsum plaster mill and warehouse, \$200,000; Cynthiana, Ky., tobacco warehouse, \$175,000; St. Matthews, Ky., church, \$150,000; Flint, Mich., Woolworth Five & Ten Cent Store, \$150,000; Fond du Lac, Wis., business block, \$200,000; San Francisco, Standard Oil Storage and warehouse plant, \$100,000; Thistle, Utah, railroad shops, coal chute and roundhouse, \$250,000.

J. B. Carvalho Is Advanced

John B. Carvalho, assistant Pacific Coast manager of the Rossia group, has been elected vice-president, secretary and a director of Metropolitan Fire Reassurance of which his father, B. N. Carvalho, is president. This is a member of the Rossia group. After graduating at Yale, Mr. Carvalho saw service with the National Fire in New York and later with the New York Fire Insurance Rating Organization. In 1929, he went with the American Reserve in the facultative reinsurance department and in 1934 went with the Rossia in the facultative department in New York. In 1936 he was transferred to the coast.

Schwartzkopf New President

M. A. Schwartzkopf has been elected president of the Wyoming Valley Insurance Exchange at Wilkes-Barre, Pa. W. M. Multer and William Schreiner are vice-presidents; A. S. Galland, secretary, and D. L. Edwards, treasurer.

Veteran Idaho Agent Dies

Sherman King, 70, who operated one of the largest agencies in Idaho until about a year ago, died after a short illness. He recently sold the agency to George Walker of the Ensign & Ensign agency, Boise. Miss Mary King, a daughter, is with the Boise office of the Fire Companies Adjustment Bureau.

AS SEEN FROM CHICAGO

SCOTTISH UNION VISITORS

J. H. Vreeland, United States manager Scottish Union, accompanied by Malcolm Hill, deputy general manager from the home office in Scotland, were visitors in Chicago about a week. A. W. Baxter, state agent, spent much of his time showing them about the city and discussing home office plans. Mr. Vreeland and Mr. Hill arrived from St. Louis, leaving Chicago for Buffalo and Hartford. They have been extensively touring the country since Sept. 23.

N. Y. UNDERWRITERS ROUNDUP

There was a round up of New York Underwriters field men in the central west in Chicago for three days this week, there being present from the home office Vice-president R. L. Tanner, Assistant Secretary H. C. Davis and Assistant Secretary J. A. Read in charge of the automobile and inland marine departments.

EXAMINERS IN SPECIAL INSPECTION

The Association of Fire Insurance Examiners of Chicago will hold a special meeting Oct. 21 to inspect a high

hazard sprinklered metal worker in actual operation at the Harris Hub Bed & Spring Co. plant in Cicero. M. E. Bulske, chief inspector of the National Inspection Company, is making arrangements. A special duck dinner will follow the inspection.

NATIONAL INSPECTION TO MOVE

The National Inspection Company, which is at present located in the Midland building, Chicago, will move to 309 West Jackson boulevard, where Managers J. W. Hubbard and H. B. Chris-

singer will hold forth.

BLACK NOW ASSISTANT MANAGER

Ralph A. Black, former Cook county special agent, has become assistant manager of the Chicago metropolitan department of Northern Assurance and London & Scottish.

In 1919, Mr. Black went with the Chicago Board and for four years did inspection and rating work. He joined the Liverpool & London & Globe in 1923 and was Cook county special agent for three years. He went with the Northern Assurance and London &

Scottish in 1926 as Cook county special agent and has retained that title until his present promotion, although in 1930 he was brought into the department office, doing general underwriting work. Mr. Black is a member of the Cook County Field Club and has served on several important committees. In 1931 he was vice-president of the club.

TO SHOW UNDERWRITERS FILM

A showing of the film which portrays the work that is done by the Underwriters Laboratories will be the principal feature of the luncheon Oct. 28 of the Chicago Insurance Agents Association. This is the annual meeting at which the new officers are formally installed.

BUYERS STRIKE IS ON

Dr. David Friday, well known economist at Washington, D. C., former president Michigan Agricultural College, who was later on the faculty of the University of Michigan and New York University, in his talk before the American Life Convention in Chicago last week stated that the present price situation is largely due to the second buyers strike in the building industry in 20 years. He said that prices of building material and labor have been increased to such an extent that people

Leads for Our Agents

are being produced by our advertising in all of these publications this Fall:

Saturday Evening Post
Collier's
Life
American Magazine
American Home
Better Homes and Gardens
Camera Craft

Nation's Business
Field and Stream
Popular Science Monthly
Iron Age
American Philatelist
American Photography
Down Beat*

*Read by professional musicians

(20,195,000 messages!)

Each ad tells of some specific coverage, and invites requests for further information by means of a coupon. These coupons are sent to our Agents for follow-up, without charge.

Over twelve thousand have been received to date, and our Agents average *one sale for every three coupons*. It pays to represent—

THE AMERICAN GROUP, NEWARK, NEW JERSEY

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that had plans ready for building or extensive repairs simply lay down and refuse to consummate the proposed projects. The building boom started out auspiciously and if it had continued prosperity would have reigned, he said. He thinks it will take a year and a half to overcome the retrogression.

Whenever there is activity in the sale of durable goods of any kind, and that includes building, times will improve, he added. The incipient rise in interest rate caused by demand for capital in building was checked, of course, when people refused to consider building any further. Any increase in demand for capital, he said, will naturally have an effect on the interest rate. He regards it as unfortunate that building activities had to be curtailed. However, he said, that those intending to build would not stand for an increase in price which they felt was unjustified.

The flurry in the stock market he attributes to the suspension of almost all building activity.

NEW CHICAGO BOARD COMPANIES

British & Foreign Marine of the Royal-Liverpool groups, with G. C. Peterson as manager, and General of Italy with John J. Broderick as manager have been admitted to full and regular membership in the Chicago Board.

A number of additional companies have been admitted as subscribers to Chicago Board rate service under the Illinois rate control law, bringing the total of such companies to about 50. The latest additions are Federal of Jersey City, Implement Dealers Mutual Fire of North Dakota, Marketmen's Mutual of Milwaukee, Northwestern National of Milwaukee, and Merchants of Indiana. American Druggists Fire of Cincinnati, which filed a 25 percent rate deviation in Illinois, has also been approved.

ROYAL-LIVERPOOL VISITORS

E. W. Hotchkiss, manager western department, and H. T. Cartlidge, deputy United States manager of the Royal-Liverpool groups, visited Chicago recently. Although George C. Peterson, manager Cook county department, has been out of the office for a short time due to illness he returned in time to receive them.

SWIFT & CO. DONATE \$100

Swift & Co., Chicago packers, sent a check for \$100 to the Chicago Fire Insurance Patrol for the widows and orphans fund. This is in appreciation of the fact that the fire patrol, during the recent severe fire in the Swift plant in the Chicago Stock Yards removed some \$60,000 worth of meat from danger and engaged in other salvage work. Swift & Co. are self insurers and hence do not regularly contribute to the maintenance of the patrol.

NAME NEW LOSS COMMITTEE

At the first fall meeting of the Western Loss Association in Chicago on Tuesday a permanent committee was appointed to serve in conference with actuarial bureau representatives and others interested in revising and promulgating forms. It was at a meeting of loss representatives in Chicago last April that Charles F. Thomas, manager Western Underwriters Association, declared that the loss people should have a voice in phrasing the definitions of liability and coverage. He pointed out that the claim superintendents are the men who observe how the insurance contract works out in actual practice and their advice should be made available and sought. The committee consists of J. M. Wilson, America Fore; T. E. Heald, National; M. D. Looney, Hartford; R. R. Lippincott, Western Adjuster, and George Blum, Underwriters Adjusting.

For some time a committee of the Loss Association has existed to confer with others in the revision of the supplemental contract. Inasmuch as that contract has been completed and will

soon be announced, that committee was discharged.

A nominating committee was appointed to make a report at the annual meeting in November. It consists of J. A. McClelland, Great American; S. L. Nelson, North America, and B. E. Moreau, St. Paul F. & M., who is now president.

FRED S. JAMES & CO. WEDDING

In a ceremony uniting the son and the daughter of two partners of Fred S. James & Co., Chicago, Miss Mimi Schafer and Charles Buresh, Jr., were married in Evanston, Ill., Saturday evening. The couple is now on a wedding trip on a ranch near Flagstaff, Ariz. The bride is the daughter of Elmer J. Schafer and Mrs. Schafer, and the bridegroom is the son of Charles Buresh, who recently retired as president of the Chicago Board after serving two terms, and Mrs. Buresh. Following the ceremony there was a reception in the Westmoreland Country Club, Evanston.

Charles Buresh, Jr., after graduating from Amherst College a few years ago, entered the insurance business and is a broker attached to Fred S. James & Co. office. He is president of the Amherst Club of Chicago.

"JOYS & GLOOMS" DINNER

The "Joys & Gloom" held a dinner Monday evening in Chicago and elected A. R. Monroe of Indianapolis, former president Newark Fire, as "czar," succeeding the late G. H. Worthington, who for many years was with the western department of the Commercial Union. "Czar" Monroe will hold his office for life. W. E. McCullough, Denver general agent, was reelected scribe for life. This organization started with the "Joys," who were employees of the old time western department of the Connecticut Fire. This group went to lunch together every day. Later on the "Gloom" was initiated by the late Charles LeRoy Hecox, who was western manager of the Ohio Farmers of Leroy, O., at Chicago, and Alex Smullan, Chicago agent. A merger was effected and Mr. Worthington was elected "czar" of the combined organization. Since his death a few years ago the "Joys & Gloom" have not met.

There were two absentee survivors from this week's dinner, they being W. A. Chapman of Evanston, Ill., former western manager of the Fireman's Fund, and W. S. Crawford, insurance editor of the New York "Journal of Commerce." Those present, in addition to Mr. Monroe and Mr. McCullough were Guy A. Richards and Alex Smullan, Chicago local agents; R. G. McCullough, retired Indiana state agent Fireman's Fund; F. E. Spoerer, broker in the Chicago office of the Phoenix of Hartford; C. M. Cartwright, THE NATIONAL UNDERWRITER, and E. C. Schoof, a lumberman, who is the only outsider in the group. The former Connecticut Fire employees present were Mr. Monroe, Mr. McCullough and Mr. Spoerer. Mr. Chapman is a "Joy" and Mr. Crawford a "Gloom." Those who have died, in addition to Mr. Worthington, are A. I. Ullmann, Chicago manager Phoenix of Hartford; Ben L. West, assistant western manager North America; John Marshall, vice-president Fireman's Fund; Mr. Hecox; W. W. Mack, "Weekly Underwriter"; John Fitzgerald, Indiana state agent Queen, and T. R. Weddell, "Insurance Field."

It is now proposed to enlarge the group by having associate members, who will be subjected to the "Czar's" dictatorial power.

CELEBRATES 82ND BIRTHDAY

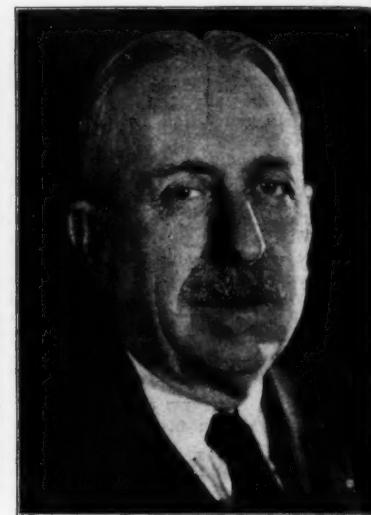
George Herrmann, head of the Chicago agency of George Herrmann & Co., will celebrate his 82nd birthday anniversary Wednesday of next week. He is one of the veterans in the Chicago agency corps. He is active in business, alert and vigilant. He is always on the job and seldom had a day's illness.

Mr. Herrmann has headed his agency

Two New Presidents Elected



W. K. MAXWELL, Chicago



E. S. PHELPS, Burlington, Ia.

At a called meeting of the Fire Underwriters Association of the Northwest which has been in a state of suspended animation for a number of years, W. K. Maxwell of Chicago, resident vice-president in charge of the western department of the Hanover Fire, was elected

president to succeed John F. Stafford of Babson Park, Fla., who has retired from insurance. E. S. Phelps of Burlington, Ia., who was a former president of the Northwest association, was elected president of the Life Members Society.

since 1898. Prior to that time he was a broker for James A. Miller & Co. He started his career doing general office work for A. D. Kennedy & Co. He can boast of an almost perfect record of attendance at his office and has not been sick more than a few days in his entire career. He is physically and mentally alert and is a familiar figure at local gatherings. A record of which the Herrmann agency is proud is its representation of the Rochester American, formerly the Rochester German, since its organization in 1898.

A close associate of Mr. Herrmann is E. C. Sweetland, vice-president, who has been with the agency since its founding.

D. S. Kerwin, attorney of R. M. Kerwin & Son, Chicago adjusters, returned to his office this week after an illness of more than two months. He was in serious condition for several weeks, but has fully recovered.

R. W. Hyman, Chicago, is now with the Paul W. Cook general agency of the Mutual Benefit Life in Chicago.

F. H. Cornell, manager of the farm department of the Home, and **L. H. Bridges**, assistant manager, were in Nebraska this week.

N. Y. Underwriters Field Meeting

A series of meetings between New York officials of the New York Underwriters and its field men in different sections of the country is being held. Field representatives in the Chicago territory met in that city Wednesday, the home office viewpoint being given by Vice-president R. L. Tanner and Assistant Secretaries J. A. Reid and H. C. Davis. Similar meetings will be held in Kansas City and New Orleans. Secretary T. C. Taliaferro will join the party in the latter city.

Extend M. L. U. Claim Limit

KANSAS CITY—The circuit court here has extended to Nov. 16 the time for filing claims against the Manufacturing Lumbermen's Underwriters. It is being liquidated by the Missouri department.

The **Franklin Fire** of Philadelphia, one of the Home group, will pay an extra of 10 cents, in addition to the regular quarterly dividend of 25 cents per share, both payments to be made Nov. 1 to stock of record Oct. 20.

H. J. Mortensen Is Reappointed Head of the Wisconsin Department

H. J. Mortensen has been reappointed insurance commissioner of Wisconsin by Governor La Follette, his term ending June 30, 1939. His previous term expired June 30, 1935, and he has continued to fill the office as the governor did not make a new appointment. Therefore he has served two years of his new term. It is interesting to know that Mr. Mortensen is the first Wisconsin insurance commissioner that has ever been reappointed. The appointment was confirmed by the senate just before it adjourned last Saturday. Prior to the appointment there was no indication that Mr. Mortensen's name was to be submitted, but it was found included in 24 appointments made in the closing moments for major state offices.

Before taking the insurance commissioner's office Mr. Mortensen was a lawyer at New Lisbon, Wis. He was born Sept. 18, 1876, at that place. He attended Stevens Point Normal School and the University of Wisconsin, graduating from law at the latter. He served as president of the New Lisbon State Bank. He was a member of the Wisconsin legislature. He conducted a local insurance agency at New Lisbon. He started his term of insurance commissioner July 1, 1931.

Opens New Adjusting Office

S. G. Wright Company has opened an adjusting office at Billings, Mont. Mr. Wright has had 20 years experience in adjusting fire, auto and inland marine losses. He was formerly an independent adjuster at Duluth. He is a lawyer and was deputy insurance commissioner of Minnesota 1917-21.

J. G. Goetz' Mother Dies

NEW YORK—Sympathy is extended J. G. Goetz, director of the Risk Research Institute, on the death of his mother at her home in Amsterdam, N. Y.

The **Home of New York** has declared its regular quarterly dividend of 25 cents a share and the customary extra dividend of 15 cents a share.

Palmer Predicts Bright Future in Illinois Insurance

State Director and Illinois Governor Address Illinois Chamber Insurance Division

Ernest Palmer, Illinois insurance director, in speaking before the annual luncheon of the insurance division of the Illinois chamber of commerce in Chicago stated that with the new insurance code giving opportunities for Illinois companies to extend themselves, to attract capital to insurance operations, and with the proper supervision there is no reason why Chicago should not become the insurance capital of the nation. He said that Illinois is behind the procession in large home companies chiefly because of lack of confidence on part of insurance departments of other states and policyholders there, which he attributed to former unsatisfactory insurance laws and the political character of Illinois insurance supervision in the past. Mr. Palmer said, "We are on the threshold of the proper kind of insurance expansion, based on the confidence that our laws are fair and square, that they do not hamper private initiative and that those laws are going to be administered without fear or favor, impartially and without any political control."

Sees Insurance Expansion

Director Palmer looks forward during the next 10 years to considerable Illinois insurance expansion so far as home companies are concerned and insurance interests in general. He said that Illinois deserves to take its rightful place in the insurance sky.

The new code, of course, has not been tested but Director Palmer has confidence in its provisions. He said that in 1933 the department sought the co-operation of all insurance institutions licensed in the state and their representatives to get a proper code passed. Mr. Palmer said that it is necessary to have strict but fair supervision. Regulation, he said, is only necessary to protect policyholders and the code is a sincere effort to throw about premium payers the safeguards to which they are entitled. He said that if there is proper administration and the department is free from political control, there is no reason to doubt the efficacy of the Illinois supervision. The code, he said, is just one tool that the department has. He said that the effect of the passage of the code had restored faith in Illinois supervision. He feels that it now has the confidence of other states and the companies of other states. It is the duty of insurance men and policyholders to stand up for proper supervision and laws. He hopes that strong and large home companies will be developed. Companies, he said, will not be received as they should in other states unless there is proper supervision at home and these commonwealths have confidence in that supervision.

Whole Picture Has Changed

Director Palmer continued to lay stress during his talk on the necessity of maintaining confidence on part of other states in Illinois supervision and its laws. He said there may be a few weak sisters among Illinois companies but the whole picture is so much more improved than it was five years ago that there is hardly any comparison. He said there are over 35,000 people licensed to solicit insurance in the state, there are 110 people employed in the depart-

ment. There are 1,100 companies and insurance institutions licensed.

Capital, he said, should be encouraged to be invested in the insurance business. Big money, he said, is not insurance-minded in Chicago and Illinois because of past experience. Therefore, Illinois has to look elsewhere for insurance. The state, he said, is fully entitled to insurance leadership.

Governor Horner's Talk

Governor Henry Horner was present and gave high praise to Director Palmer for his accomplishments. He said that he is very proud of the work that is being done by the insurance department. Governor Horner served 20 years as judge of the probate court in Cook county and in that position he said he had the opportunity of watching estates. He saw the value of insurance as part of an estate and the tragedy often when there was no insurance and when the other holdings were almost worthless. He said that he took out his own first life policy when he was 23 years of age and kept adding to his insurance ever since. As head of the probate court he saw where insurance was the prime factor in educating children, holding families together and protecting business.

State Regulation Necessary

State regulation, he said, is for the benefit of insurance carriers and insurance men as well as the public. The fraternals, he said, have improved in character because of more rigid supervision. There is less twisting, less rebating and a better quality of agents. He thinks that the character of insurance executives has improved.

Governor Horner characterized the new insurance code of Illinois as the best in the country. It gives the department the authority to command obedience where executives are dilatory or agents are wrong doers. He prided himself on the fact that there had been no politics in the insurance department during his administration. He gave credit to the insurance division of the Illinois chamber of commerce as having initiated the movement to restore the insurance department to a parity with other state bureaus and take it from under the old department of trade and commerce. He said that when this matter was presented to him by the Illinois chamber he saw its desirability and advocated it in his message to the legislature. He stated that there is a big field for insurance development.

James S. Kemper Presided

James S. Kemper, president of the Lumbermen's Mutual Casualty who is chairman of the insurance division, presided and introduced Governor Horner. He called on H. A. Behrens, president Continental Casualty and Continental Assurance, to introduce Mr. Palmer. There was a large attendance of insurance men and, in fact, the seating capacity of the ballroom of the Hotel La Salle was more than taken.

Mr. Kemper introduced Roy L. Davis, assistant insurance director, Chief Deputy Ray T. Nelson and Special Deputy Frank W. Young. When he introduced State's Attorney T. J. Courtney, the fighting prosecutor received a real ovation, which is indicative of how the people feel toward him. Men in the legislature were introduced as was Congressman Ralph E. Church of the tenth district.

T. F. Cunneen of Washington, D. C., manager of the insurance department of the U. S. Chamber of Commerce, sat at the head table.

New York Regional Meeting

A series of four regional meetings has been arranged by the New York State Association of Local Agents at Batavia, Oct. 25; Geneva, Oct. 26; Rome, Oct. 27, and Johnstown, Oct. 27, in co-operation with the Business Development Office. A. R. Menard, assistant director of the B. D. O., will speak at each meeting.



The two points-of-view of every Agent

*.... his client's
and his own*

Both define protection in terms of the character and the financial stability of the company.

Sound protection for the client is sound protection for the Agent.



PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.

NEW YORK OFFICE: Central Fire Agency, Inc.
92 William Street, N. Y. C.

CHICAGO OFFICE: 209 West Jackson Boulevard

SAN FRANCISCO (Fire 425 Montgomery St.)

OFFICES: (Marine 231 Sansome St.)



Jr., entered the business. At the same time a Boston office was established that is now operating as Boit, Dalton, Church & Hamilton. He was one of the founders of the Insurance Federation of Massachusetts.

The Travelers has been represented by the Church family without interruption since the late 1860's. Mr. Church's insurance affairs during recent years have been handled by his son, but he continued in an advisory capacity.

A. C. McDavid of the Perry & McDavid agency, San Antonio, Tex., has been appointed national historian general society of the Sons of the American Revolution, the first southerner to occupy that position. The society will hold its 1938 convention in Dallas.

K. S. Ogilvie, western and southern manager for Norwich Union, has returned to the New York head office. After attending the meeting of the National Association of Insurance Agents in Dallas he made a swing through Oklahoma and then stopped in Chicago on his way back to New York.

Commissioner Hemenway of Vermont has been appointed a trustee of the University of Vermont by Governor Aiken. The commissioner graduated from the university in 1928.

INSURANCE STOCKS

By **H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Oct. 18, 1937**

	Par.	Div.	Bid	Asked
Aetna Cas.	10	3.00*	75	78
Aetna Fire	10	1.60	37	39
Aetna Life	10	1.10*	20	22
Agricultural	25	3.25*	70	74
Amer. Alliance	10	1.20*	18	20
Amer. Equitable	5	1.80*	25	27
American (N. J.)	2.50	.60*	8 1/2	9 1/2
Amer. Surety	25	2.50	34	37
Automobile	10	1.20*	25 1/2	27 1/2
Balt. Amer.	2.50	.30*	4 1/2	5 1/2
Bankers & Ship.	25	5.00	75	80
Boston	1.00	21.00*	550	570
Camden Fire	5	1.00	16 1/2	18
Carolina	10	1.30	20	22
City of N. Y.	10	1.20	19	21
Contl. Cas.	5	1.20	17 1/2	18 1/2
Contl. (N. Y.)	2.50	1.80*	23	24
Crum & For. com.	10	.90*	24	26
Employers Re.	10	1.60	37	40
Fed. (N. J.)	10	1.40	37	39
Fidelity & Dep.	20	2.00	98	100
Fidelity-Phen.	2.50	1.80*	23	25
Fire Assn.	10	2.50*	45	55
Firemen's (N. J.)	5	.30	7 1/2	8 1/2
Franklin	5	1.40*	24 1/2	25 1/2
Gen. Reinsur.	5	2.00	29	31
Gibraltar F&M.	10	1.40*	20	22
Glens Falls	5	1.60	36	38
Globe & Repub.	5	.85*	12 1/2	13 1/2
Gl. & Rut. (com.)	25	1.00*	24	26
Gt. Amer. Fire	5	1.20*	18	19
Gt. Amer. Ind.	1	.20	7	9
Halifax Fire	10	1.00**	20	22
Hanover Fire	10	1.60	26	27 1/2
Hartford Fire	10	2.00	57	59
Htfd. Steam Boil.	10	1.60	51	54
Home F. & Mar.	10	2.00	35	37
Home (N. Y.)	5	1.60*	26	27
Homestead	10	1.00	15	17
Ins. Co. of N. A.	10	2.50*	48	52
Kan. City F&M.	10	.30	22	24
Knickerbocker	5	.80	10	11
Lincoln F. (new)	5	...	3 1/2	4 1/2
Md. Cas. com.	1	...	2 1/4	3 1/4
Mass. Bond	12.50	3.50	46	49
Mer. & Mfrs.	5	.60	8	10
Mer. Assur. com.	5.00	1.70*	38	42
Natl. Cas.	10	1.00	14 1/2	16
Natl. Fire	10	2.00	49	51
Natl. Liberty	2	.40*	5 1/2	6 1/2
Natl. Union	20	5.00	95	105
New Am. Cas.	2	.60	9	10
New Brunsw. R.	10	1.70	26	28
New Hampshire	10	1.80*	39	41
New Jersey	20	2.50*	38	40
Northern (N. Y.)	12.50	5.00*	80	85
North River	2.50	1.20*	21	23
N. W. Natl. Fire.	25	5.00	110	115
Pacific Fire	25	6.00	110	112
Paul Revere Fire	10	1.30	18	20
Phoenix, Conn.	10	2.50*	70	73
Preferred Acci.	5	.80	14	15
Prov. Wash.	10	1.40*	24	26
Republic, Tex.	10	1.20	22	24
Rossia	5	.80*	5	6
Security	10	1.40	27	29
Sprgld. F. & M.	25	4.75*	101	105
St. Paul F. & M.	25	7.50*	165	175
Travelers	100	16.00	375	395
U. S. Fire	4	2.50*	43	45
U. S. F. & G.	2	...	13	14
Westchester Fire	2.50	1.00	25	27

*Includes extra. **Canadian funds.

The **Employers Mutual Fire** of Waukesha, Wis., has been licensed in Michigan. Its running mate, the Employers Mutual Liability, has been licensed in the state for some time.

SHOW-ME PICKUPS

Hotel Facilities Taxed May Rotate Missouri Meets Company Men on Hand

The rebirth of the Missouri Association of Insurance Agents and the fact that over 200 attended the annual meeting at Columbia taxed the facilities of the Tiger Hotel and other Columbia hosteries severely. For a number of years the Missouri Association has met at either Columbia or Jefferson City, because of the central location of these two towns. The question of the place of future meetings did not come before the convention, but there were many unofficial discussions, with sentiment apparently in favor of rotating it around in the state. It was also felt that meetings in St. Louis and Kansas City would be beneficial to the local boards.

* * *

Leonard Peterson, secretary, and C. A. Borg, advertising manager, were on hand for the **Home of New York**. They maintained an elaborate headquarters off the lobby, with plenty of food in evidence and served a buffet luncheon for all after the close of the convention.

* * *

The **Crum & Forster** delegation was headed by G. C. Thro, agency superintendent; S. H. Quackenbush, western manager Westchester Fire, Freeport, and R. I. Read, Cook county manager, Chicago.

* * *

The **Joplin** board, the newest in the state, was welcomed to the association. At the banquet, bows were taken by Al Burgess, president, and V. T. Owen, secretary.

* * *

An attractive convention directory was distributed by the **Kansas City Fire & Marine**, which was represented by M. T. Jones, vice-president, Kansas City; E. P. Kiesler, state agent, St. Louis, and C. R. Cloun of the R. B. Jones & Son office.

* * *

National President **C. F. Lisecomb** proceeded to Oklahoma City, where he was to speak at the convention of the Oklahoma Association of Insurers. He has been able to be home only one day since the Dallas convention.

* * *

M. H. Grannatt, New York, assistant U. S. manager of the Royal-Liverpool group, maintained headquarters and distributed the memorandum books which have become a convention feature of his organization.

* * *

Carl Bratton of the music faculty of Stephens College led the singing which preceded each convention session.

* * *

D. E. Chilcote, who has just been promoted to the home office of the Corroon & Reynolds group, was on hand to say farewell to his friends. Also in attendance were Dean Haggerty, state agent; D. V. Carbone, special agent, and C. K. Ulery, underwriter, Kansas City.

* * *

F. D. Hess, assistant western manager, Rockford, represented the American of Newark.

* * *

A Fanchon & Marco floor show featured the banquet. **P. K. Wels**, Moberly, acted as toastmaster.

* * *

Sherman Drake, vice-president, and E. A. Luther, agency superintendent, New York, assisted Fred A. Brinkman of Kansas City in dispensing hospitality for the **National Surety**.

* * *

In addition to **Superintendent O'Malley**, O. R. Jackson, chief examiner, and F. E. Murphy, chief clerk, represented the Missouri department.

* * *

C. B. Rollins, Jr., Columbia, was in charge of local arrangements. For the

WANTED

Special agent capable of producing fire and allied lines with experience in Virginia and/or North Carolina. An excellent opportunity.

ADDRESS G-55 NATIONAL UNDERWRITER.

first time badges bearing the names of members and guests were distributed.

W. H. Bennett to Address Three State Conventions

Secretary W. H. Bennett of the National Association of Insurance Agents will address the meetings of the New Hampshire association at Manchester, Oct. 26, Massachusetts association at Worcester the following day and the Connecticut meeting at New Haven on the 28th. A committee headed by F. W. Brodie of Waterbury, Conn., chairman of the New England advisory board,

called on Mr. Bennett and extended a special and urgent invitation for him to be at these meetings and he accepted. He will address the Illinois meeting at Rockford, Nov. 17-18 and the Indiana gathering in Indianapolis Nov. 16.

Texas Hearing Held

The insurance commissioners of Texas notified companies and agents to appear at a hearing last Tuesday to consider approving for use in public waterworks systems without penalty in key rate, water pipe of cement and asbestos composition.

Read "Surety Bonds" by Lunt. \$3.50. Order from National Underwriter.



NOW IS THE TIME TO USE THIS TESTED SALES PLAN

46% of Property Insurance Sold in Fall

PRACTICAL PROSPECTING gives you a tested, up-to-date, practically helpful sales plan that put into effect now will step-up your selling efficiency during the coming fall months.

This plan is developed by the sifting of hundreds of practical selling ideas, tried and proven by successful insurance producers throughout the country. It is a sure way to increase premium income—and included are not only the ideas on the course to follow, but the essential record blanks, files, and sales material to enable you to put the plan into immediate operation.

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N. U. 5

Company Support in Appointments Asked by Agents

Oklahoma Insurors Seek Greater Public Confidence in Stock Insurance—Other Action at Gathering

NEW OFFICERS ELECTED

President—John J. Moffatt, Muskogee.

Vice-president—Harry P. Frantz, Enid.

Secretary-treasurer—H. T. Moran, Oklahoma City.

New members executive committee—George MacCurdy, Tulsa; O. C. Combs, Duncan; J. S. Adams, Oklahoma City.

By FRED B. HUMPHREY

OKLAHOMA CITY.—"The best convention ever held in Oklahoma" was the general opinion of those attending the annual meeting here of the Oklahoma Association of Insurors. Fifty-four cities and towns were represented. When John D. Saint became manager the association had 54 members. Today it has 455. The convention went on record as asking companies to make only such appointments as promote harmony and increase public confidence in stock insurance and that all members report infraction of this principle to their central office; urged agents in every town where practical immediately to form exchanges; opposed any representative of the H.O.L.C. engaging in insurance business; opposed writing and countersigning policies by companies for persons not licensed as agents, and in the case of fire companies writing so called "survey business," and that survey agents be not paid the same scale of commission as agents who assume the expense of writing and servicing their business; and that companies be asked to terminate appointments of such survey agents.

The agents also went on record favoring a concerted program of advertising simultaneously and uniformly in all Oklahoma papers.

Several changes in the constitution

and by-laws were adopted, the two principal ones being changing the fiscal year so it will end June 30 instead of Aug. 31, and providing that the officers just elected shall hold office until the annual meeting in 1939. The only real discussion was in reference to the change in the scale of annual dues. The proposed changes were adopted with the exception that the extreme amount to be paid by any single member was reduced from \$500 to \$300.

The only paper read at the Tuesday morning session was that of John A. Bosdett, chairman Oklahoma Business Development committee, describing what has been done and outlining future plans.

Attendance prize was won by Harry Tate, Ardmore.

Discussion of Problems

The "Virtue of Stock Insurance" was the theme. The first morning session was devoted to addresses carrying out the theme song and the afternoon session was open to agents only, including non-member agents, it being an open discussion of problems. It was voted all members in good standing Aug. 31, the end of the fiscal year, would be entitled to vote. President C. F. Liscomb of the National Association of Insurance Agents, was several times called on to answer questions.

The Oklahoma legislature recently passed a law setting minimum age of automobile drivers at 16, and that children 14-16 may drive when their parents sign an agreement to assume liability for accident. There was discussion whether a liability policy would cover such cases. It was decided to notify policyholders about the law so there can be no complaints in case of accidents during the period mentioned. The matter was referred to the casualty conference committee.

Department Man Talks

Avery Moore of the insurance department talked on administering insurance laws without letting personal feelings enter. He stated the department recently sent a letter to field men that new agents are not to solicit without license, which will not be issued until 30 days after receipt of their application. The applicant must appear for personal examination. He stated the bars are not down.

In the matter of clearing agencies on the in-and-out rule, Manager J. D. Saint of the Oklahoma association stated local exchanges should do everything in their power to clear up such a situation before calling on the state association.

It was brought out that Manager Saint and the executive committee spent

so much time fighting adverse legislation they were unable to devote as much time as they desired to immediate association problems but will do so this next year.

Manager Saint explained the rural agents' meetings and described plans for launching a movement in Oklahoma to bring to Oklahoma City later in the year all licensed agents for a one day meeting, and the efforts that will be made to get small town and rural agents to join the state association. A discussion of HOLC men acting as insurance agents without any definite decision closed the first afternoon program.

Business Development Work

J. A. Bosdett, chairman of the permanent Business Development committee and C. R. Haskett, vice-chairman, discussed this work the second day. The program was launched at Oklahoma City May 11, with assistance of Assistant Manager Wallace Rodgers of the Western Underwriters Association. Ten meetings have been held with average attendance of 58 agents and 25 field men. Mr. Bosdett said this is a constructive move for the benefit of agents and the American agency system. A result evident is better morale of agents and field men. They are no longer letting business go to competitors by default, he said. The second series of zone meetings will probably be held in each locality after the dinner or luncheon hour, thus giving farm men as much time as possible. An organized sales campaign for use of local boards and other agents' groups is the principal item in the second step in the plan and is designed for eventual introduction in all towns in each zone regardless of size.

Acting President Gives Report

John J. Moffatt of Muskogee, acting president, in his annual report referred only briefly to the accomplishments of the year, which were to be presented in the report of the administration. He was somewhat critical of the tendency that has developed in some quarters under the centralized managerial plan of operation to "let George do it." He referred particularly to the fact that the program of organizing new local boards has not been taken up as it should be in certain localities. He emphasized the importance of strong local organizations in increasing agency good-will value, through protection of agency rights, and consequently the advantage to which such agencies may be sold.

Record of Achievement

A notable record of achievement was presented in the administration report, given by H. P. Frantz of Enid on behalf of the executive committee. He said that with the reorganization of the association, it was expected that the improvement contemplated would be spread over several years, but the sequence of events carried the association from one activity to another much more rapidly than had been expected. Among the major items of accomplishment he outlined were:

Increased paid membership since reorganization from 54 in 22 towns to 443 in 130 towns, or 720 percent, with 34 percent increase in 1937; increasing exchange towns from 12 to 25, with most of the original 12 completely reorganized; raising Oklahoma from 28th to 11th place among state associations.

Helped steer drivers license law and highway patrol through the legislature, obtaining what Mr. Frantz characterized as the foremost law of its kind in America.

Instituted separation between stock and non-stock carriers, rejected for membership agents who said they would not conform to the separation rule and assisted agents to dispose of non-stock affiliations so they could qualify; initiated "in or out" rule and cleared many local communities of long standing grievances.

Raised the standards of agency appointments to where there are one-

Pencil Sketches Made at Oklahoma Insurors Rally

Committees appointed by President Moffatt at the Oklahoma Association of Insurors annual gathering in Oklahoma City were: Resolutions, Joe Peeler, Lawton, chairman; Miss Jennie Mills, Walters; T. V. Dollins, Henryetta; John McCullough, Oklahoma City; Chester Gates, Seminole; nominations, John Bowers, Enid; Ben Voth, Tulsa; Aneel Earp, Oklahoma City; Walter Smith, Lawton; Frank L. Finlay, Ada; constitution and by-laws, A. J. Fluke, Shawnee; Carroll Spangler, Altus; Miss Helen Ainsworth, McAlester; Vernon W. Sills, Ponca City; T. G. Cook, Buffalo; finance, Addison Sessions, Okmulgee; L. C. Cary, Chickasha; R. H. Farnum, Duncan.

An unusual number of companies held open house, several serving buffet lunch. Among these were the Home with Advertising Manager C. Arthur Borg, M. L. Canfield and Ed Smith, Texas general agents; London & Lancashire and allied companies with G. A. Jorgensen, newly appointed Oklahoma state agent, in charge; Maryland Casualty with R. Van Wagener, resident vice-president, and several field men; Hartford Fire, with George Wyatt, state agent; L. P. Oldham, manager Hartford Accident, and Coke Witt, acting as host. U. S. F. & G., with Leslie Williams, Oklahoma manager, assisted by Glenn Duffy and others, greeted the visitors, and the Central Surety with George Dyer, superintendent automobile department; Harold Strayer, Oklahoma state manager, and P. H. Hawes, superintendent of agents.

Among company officials attending were Fred D. Hess, assistant manager western department, American, Rockford, Ill.; and H. W. Donnan, P. S. Beebe and R. B. Starks of the western department of the Hartford Fire, Chicago.

The Monday morning attendance prize, poker chips and cards donated by R. W. Drake & Co., Oklahoma City general agents, was won by J. S. Fixley, Oklahoma City; the Monday afternoon attendance prize, an attractive desk set contributed by Corroon & Reynolds, through State Agent R. A. Elllassen, was won by C. A. Johnson, Shawnee, and another attendance prize, a blanket, was donated by General Agent C. C. McKnight, Enid.

Attractive bridge score pads and rules were distributed by the America Fore group represented by T. Ray Phillips and associates.

Corroon & Reynolds, through State Agent R. A. Elllassen also held open house. Frank Harris, superintendent of agents, Continental Casualty, Dallas, was official host for his company.

Tuesday noon, H. H. Strayer, Oklahoma City, state agent Central Surety, gave a luncheon to agents of his company attending.

fourth as many applications for creating new agencies as in former years; supported proper licensing of agents and had a part in eliminating more than 2,000 misfit appointments; eliminated many curbstone agents and worked with companies against employment of additional agents of that type.

Created conference committees for both fire and for casualty and surety business and worked hand in hand with field men of both classes.

Defended agents commission on compensation business and saved it from being reduced.

Organized 10 districts into a Business Development permanent organization and conducted as many regional meetings, with great benefit to those who attended.

Reduced dues, as much as 40 percent in some brackets.

Formulated a system of public education which is scheduled to take definite form this fall and winter; started move-

(CONTINUED ON PAGE 30)

Au Revoir Oklahoma Agents

. . . we enjoyed having you in Oklahoma City for your annual meeting . . . we hope you will come again soon . . . we wish you the best of luck and success. . . .

F. Wiley Ball
Braniff Insurance Agency
Aneel Earp & Co.
H. L. Farish & Co.
Ledbetter Insurance Company
Workman-Carlin Company

XUM

Tennessee Agents Decide to Employ Full Time Manager

Agree to Provide Service to Members' Survivors—Keese Is Reelected

CHATTANOOGA.—Recommended by President Will S. Keese and approved by the executive committee the creation of an office of a full time manager, first suggested by the Memphis exchange, was endorsed unanimously by the Tennessee Association of Insurance Agents at its annual meeting here. The incoming executive committee was authorized to proceed, selecting the man and making the other arrangements. Not only did the agents express their hearty approval, but officials of

NEW OFFICERS ELECTED

President—Will S. Keese, Jr., Chattanooga.

Executive vice-president—W. D. Pettigrew, Knoxville.

Executive secretary—Leslie M. Ross, Gallatin.

Executive Committee—H. Phelps Smith, Nashville; Bethel Hunt, Memphis; Stanley Lachman, Chattanooga; Victor Williams, Winchester.

Regional vice-presidents—N. C. Maney, Murfreesboro; George Oldston, Johnson City; A. B. Patterson, Jackson.

National councillor—Henry McMillan, Knoxville.

the Tennessee Fire Underwriters Association applauded the idea. The executive committee intends to formulate its plans promptly.

Practical benefits of the managerial plan were presented by Manager S. G. Oststot of the North Carolina association; Leon McGilton, American of Newark, chairman executive committee Tennessee Fire Underwriters Association, and others.

President Will S. Keese, Jr., was re-elected so he can perfect the plans he inaugurated.

One of the resolutions adopted provided for the safe-guarding of an agency for the family of a deceased owner. Another commends Commissioner McCormack in his efforts to correct the activities of part time agents.

The 1938 convention will be held in Memphis.

Many Speakers Heard

On the program were Commissioner McCormack, Oscar Beling of the Royal-Liverpool, who discussed "Office Management and Routine"; past President Herman Haas of the Georgia Association of Insurance Agents, who brought greetings from the National association; Mr. Oststot; R. I. Rae, on the First Bancredit Corporation; President R. H. Gustetter and Mr. McGilton of the Tennessee Fire Underwriters, who jointly discussed "Business Development Plans"; Vice-President C. J. Fitzpatrick of the U. S. F. & G., who presented "A Few Phases of Advertising and Selling"; Russell Briscoe, Knoxville, who detailed "The Romance of Judicial

Bond Business," and James E. Powell, agency vice-president of the Provident Life & Accident, who spoke on "Accident Insurance as an Agency Builder."

The breakfast group meetings brought out discussion on rural agents' plan, mutual competition, unfair competition and part time agents. The speakers included Executive Vice-President Pettigrew, W. C. Brown, Chattanooga; B. C. Gross, Nashville; Russell Briscoe, Knoxville; John Oldham, Johnson City; Allen Fisher, Memphis; A. V. Patton, Jackson, and H. A. Bransford, Union City.

Service to Survivors

The association enacted an original provision to its constitution when it adopted the resolution for service to survivors in the case of the death of any of its members.

In case of the death of any member the widow, executor or administrator may ask the association to appoint a committee of three to advise with and assist in the preservation of the agency or in its sale, the resolution provides.

The members pledge that they will refrain from any extraordinary solicitation of the business of the deceased member and that they will render all reasonable assistance in the preservation or sale of the business. Extraordinary solicitation means wholesale solicitation of assured or business of the deceased member through a general or special knowledge of the deceased member's business, the resolution asserts.

Advice of this privilege of assistance and pledge of members shall be sent by registered mail to the widow or responsible person most vitally interested immediately upon receipt of information of death of a member.

Pro-Stock Principles

Principles of pro-stock companies were sounded in addresses of Mr. Oststot, Mr. Gustetter and Mr. McGilton, and ran as a thread of discussion throughout the program. President Keese reviewed the work that had been done by the Business Development committee, which in cooperation with the field men has divided the state into eight districts with a committee of agents and field men in charge.

President Keese named the following agents' central committee: Douglas Hall, Nashville; Phelps Smith, Nashville, and Leslie M. Ross, Gallatin. President Keese also named the following committees: Nominations, Allen Fisher, J. B. Irvine and I. G. Chase; Resolutions, Mark Bradford, Victor Williams and Web Brown.

Chairman Charles B. H. Loventhal of the legislative committee recalled enactment of a drivers' license law with an extensive responsibility feature.

Thanks were extended to Commissioner McCormack for his approval of the retrospective rating plan for compensation risks.

North Carolina Record

Manager Oststot gave statistics to show the advancement in the North Carolina association since the adoption of the managerial plan in 1933. Prior to the creation of this office, there were 196 members where there are 512 today. Under the old plan there were 14 boards in the large cities. Agents now have secured, said Mr. Oststot, 69 local boards, there being a number of county local organizations with only two agents in each county group. The previous year there were members in 46 towns and now there are 147 towns represented.

Commissioner McCormack discussed various features of the agents and brokers licensing laws. He said a large number of financial agents such as mortgage

companies, building and loan associations and brokers placing loans, even including some mortgage brokers representing federal agencies, are coercing customers in the selection of agent and company. A very few of these agencies that are also engaged in the insurance business are in severe violation and are liable to penalties by offering a consideration or inducement not specified in the insurance policy contract. That consideration or inducement, he said, is a requirement that the borrower designate a particular company or agent on any insurance becoming necessary to protect the collateral on both life and property. The department, he said, after a for-

mal hearing, has cancelled the licenses of quite a few agents connected with loan agencies. "It is the intent of both the law and the commissioner," he declared, "to protect the right of every citizen to select his own insurance agent and company without coercion or fear of reprisal by the loaning agency."

Legitimate Loan Agency

Mr. McCormack recalled that an agent must prove he is writing at least four times as much business for the public as he is writing controlled business. It is possible for a legitimate loan agency to operate a legitimate insurance

(CONTINUED ON PAGE 47)

The Insurance Exchange of Chattanooga Extends Greetings

To the TENNESSEE ASSOCIATION of INSURANCE AGENTS and offers congratulations on the successful annual convention just held.

We are grateful that our city was chosen as the site for this year's convention

Interstate Life & Accident Co.

Home Office

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Dr. J. W. JOHNSON, President

Phone 6-2045

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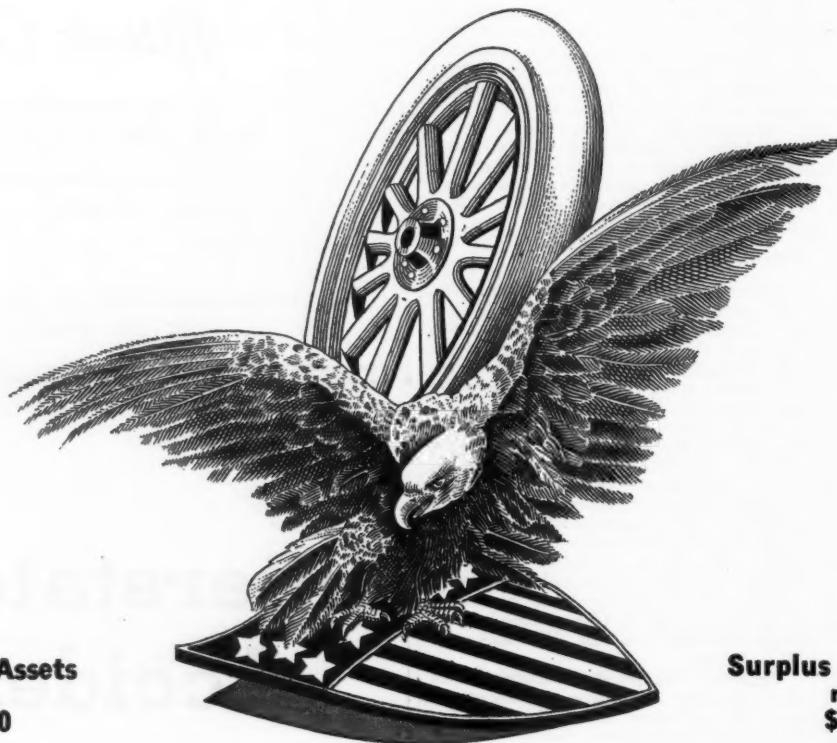
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"A Dependable and Efficient Adjustment Service"

AMERICAN AUTO AGENTS—

— know that in American Auto's vast countrywide organization its entire personnel from file clerk to executive, is working for the more friendly and more intelligent handling of their automobile insurance problems — Specialization does make a difference.



Total Admitted Assets
more than
\$18,000,000

Surplus to Policyholders
more than
\$8,000,000

NATIONWIDE BRANCH OFFICE FACILITIES

BOSTON
CHICAGO
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CLEVELAND
COLUMBUS

DETROIT
INDIANAPOLIS
KANSAS CITY
LOS ANGELES

MILWAUKEE
MINNEAPOLIS
NEW ORLEANS
NEW YORK

PHILADELPHIA
PITTSBURGH
ST. LOUIS
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AMERICAN AUTOMOBILE INSURANCE COMPANIES

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"Oldest and Largest Insurers of Automobiles Exclusively"

The NATIONAL UNDERWRITER

October 21, 1937

CASUALTY AND SURETY SECTION

Page Twenty-three

Market Crash Melts Surpluses of Insurers

Expect Fidelity Losses — Agents Fear Tighter Casualty Underwriting

The stock market situation has replaced all else in the minds of insurance company executives this week. For some time insurance people as well as the rest of the financial and industrial community have been watching the trend of the market with forebodings, but the extent of the break this week was decidedly a shock.

Millions of dollars in surplus have melted away from fire and casualty companies by the action of the stock market. The precise extent of the decline is difficult to estimate, but the fact that fire and casualty companies have suffered is witnessed by the decline in the prices of their shares. Some of the largest institutions have doubtless lost \$10,000,000, \$15,000,000 and \$20,000,000 in surplus as compared with Dec. 31, 1936.

Discouraging to Shareholders

The decline is discouraging to insurance company investors, but it has by no means reached the point where it is the least bit disconcerting to the companies so far as their operations are concerned. Surpluses on Dec. 31, 1936, had reached fabulous figures in many companies. These surpluses, at least so far as the fire companies were concerned, were larger than were needed as a margin of safety. Indeed the size of the surpluses has been something of a worry to managements. They have felt with so much free funds they should write a great deal more business and the fact that business has been so difficult to obtain has been discouraging.

The casualty companies have not had nearly as redundant surpluses as the fire companies. As Commissioner Blackall of Connecticut pointed out in his talk last week before the big casualty convention at White Sulphur Springs, W. Va., the casualty companies are writing about four times as much business in relation to their capital and surplus as are the fire companies. Consequently the reduction in surplus caused by the stock market decline is more momentous to the casualty companies than to the fire people. It may have the tendency to cause casualty companies to be even more choosy in their underwriting.

Extremely Selective

Casualty companies have not had difficulty in getting business. They have been extremely selective and that policy has caused the agents to become dissatisfied and querulous. Frequently the fire companies are held up as examples of tolerant underwriters and by comparison the casualty companies are con-

(CONTINUED ON PAGE 32)

Casualty Agents Pray for Conference Procedure

By DOROTHY B. PAUL

Cliff C. Jones of Kansas City was elected president of the National Association of Casualty & Surety Agents at the annual meeting in White Sulphur Springs, W. Va., and W. D. O'Gorman of Newark is the new vice-president. Charles H. Burras of Chicago continues as secretary.

Retiring President C. A. Abrahamson of Omaha is chairman of the executive committee. Lew H. Webb of Chicago and J. W. Henry, Pittsburgh, have been named on the executive committee. The other members are J. M. Barkdull, Cincinnati, C. M. Bend, St. Paul, Glenn E. Charlton, Lawrence, Kan., Carl P. Daniel, St. Louis, Wade Fetzer, Chicago, C. F. J. Harrington, Boston, John T. Harrison, New York City, Joseph F. Hickey, St. Louis, E. R. Ledbetter, Oklahoma City, B. W. McCluer, Kansas City, James R. Millikan, Cincinnati, H. W. Schaefer, New York City, and M. R. Whited, Cleveland. New members of the joint conference committee are John T. Harrison, New York City and George Blossom, Jr., Chicago.

Discuss Long Haul Market

The agents' final meeting was devoted to a discussion of markets for and the handling of truck and bus business. It was agreed to refer this matter to the joint conference committee for further action.

A new membership program was discussed. Mr. Abrahamson suggested the appointment of one man in each state to assist in carrying out a campaign for new members.

Pursuing the point brought out by Wade Fetzer in the round table discussion, the agents adopted a resolution urging the necessity of smarter merchandising by the casualty and surety business. The resolution states that the casualty and surety business, needs an "organized, comprehensive program for the merchandising of its product similar to that in existence in the fire insurance field." Such a program, the resolution asserted, should be the subject of negotiation and planning by the joint committee with the company executives conference committee.

Resolution on Conferences

The serious intent of the producers to secure effective cooperation from the companies is indicated in the resolution concerning the joint conference committee, the text of which is:

"The National Association of Casualty & Surety Agents restates the principle that whenever a reduction in commission to the producer is contemplated or proposed to produce a lower rate to the large buyer of insurance or for any other purpose whatsoever, that a corresponding ratable reduction in the home office expense loading shall at the same time be made."

"The National Association of Insurance Agents stands firmly on the principle that the producers and companies have a community of interest in the business and that each must respect the rights of the other."

"The National Association of Casualty & Surety Agents, National Association of Insurance Agents and National Association of Insurance Brokers, representing the entire organized producers of casualty and surety business have organized a committee known as the producers joint conference committee and we respectfully urge that all matters in negotiation between the organized producers and the companies shall be referred to and handled by this committee.

Authority Is Given

"This committee should have authority to act for the producers and to that end the members of such producers joint conference committee are hereby given authority to pass upon, approve or reject any problems considered by such joint committee and their action shall be binding on this association.

"The company executives association have appointed a conference committee to meet with the producers joint conference committee and we respectfully urge that such committee should be clothed with authority to bind the companies on all matters considered in conference by such committees.

"We respectfully urge that a meeting of these two committees should be speedily held and the work of these committees organized and a definite program agreed upon."

There was no delay on the part of the
(CONTINUED ON PAGE 34)

No Crash Loss to Insurer in United's Wyoming Wreck

NEW YORK.—Wrecking of United Air Lines big Douglas "Mainliner" plane high in the Rocky Mountains caused no loss to United's insurance carrier, the United States Aviation Underwriters, as far as crash coverage is concerned, the only insurance coverages involved being passenger liability and workmen's compensation. The plane, one of the newest type, was worth in the neighborhood of \$100,000. With all the 19 persons aboard dead the disaster is the worst in the history of commercial aviation in this country.

The reason that the crash coverage carried by United Air Lines does not result in loss to the insurer on the Wyoming crash is that the coverage is what is known as "excess over aggregate." This provides that the air line stands its own crash losses until they exceed a certain total, the insurance applying only on losses in excess of that total. This plan enables the operating company to avoid the high cost of full cover crash insurance and yet protects it from being seriously impaired by an extremely bad run of luck.

Final settlement of compensation and passenger liability claims may amount to more than \$200,000.

Some observers believe that this accident following the series of plane crashes last winter may force a rate increase.

Drop Fight Over Bay State 1937 Auto Rates

De Celles and Companies Still Holding Their "Principles," Cease Firing

BOSTON—It took but 7½ minutes for the second public hearing on the schedule of compulsory automobile liability rates for 1937, to comply with the orders of the supreme judicial court that a second hearing must be so conducted as to comply with the law. That decision nullified the rate schedule promulgated in September of 1936.

There were but three witnesses at the second hearing, these being insurance department officials, who swore to the accuracy of their records.

The same schedule of rates has now been promulgated as was originally made by the commissioner a year ago. Counsel for the companies agreed, Commissioner De Celles and company counsel issued a joint statement.

Text of Statement

"After the promulgation of the original 1937 rates in September, 1936, the stock insurance companies brought a petition for review, claiming that the order establishing the rates was void for want of proper hearing and that the rates were inadequate because the commissioner had failed to adopt the two-year rate level and had used a reduction factor based upon the difference between company and department estimates of reserves. The case was tried before a master, who found that the rates were not based solely upon evidence introduced at the hearing, and that the rates were inadequate for the reasons claimed by the companies.

"The case then went to the supreme judicial court. The court rendered a decision in September of this year to the effect that the rate order was void because of the failure by the commissioner to introduce formally certain evidence at the public hearing. The court did not rule on the question of adequacy.

Still Contend for Principles

"The companies still contend for these principles, and still claim that the methods used by the commissioner in computing the 1937 rates will not produce adequate rates. The commissioner still maintains that his formula is adequate.

"As a practical matter, however, all that either the companies or the commissioner could hope for from further litigation at this time on the 1937 rates would be a vindication of principles. However desirable this might be, it seems clear both to the commissioner and to the companies that it would not be warranted in view of the loss of time of litigants and the court, and the confusion and uncertainty resulting to policyholders, agents, companies and the department which would attend such a course.

(CONTINUED ON PAGE 34)

Casualty-Surety Business Offers Great Possibilities

Proctor of Executives Association Tells Opportunities at Meeting of Oklahoma Insurors

Development of casualty and surety business has progressed only a little way, R. F. Proctor, manager fidelity and surety department, Association of Casualty & Surety Executives, stated in a talk at the convention of the Oklahoma Association of Insurors in Oklahoma City. New coverages will have to be drafted and old coverages adapted to meet insurance protection requirements of new laws, new methods of doing business, changes in industry and methods of living. There are also extensive fields open which will stand much more intensive cultivation and there will be new fields of yet unknown extent to develop, he said.

Credit to Producers

"While insurance has kept abreast of progress, the producer must ever be alert to the changing requirements of his clients," Mr. Proctor said. "New covers will be needed as time goes on and you should be able to ferret them out. The insurance fraternity should be given great credit for this service that it has rendered the public in the past and also in seeing to it that the companies have issued the necessary covers."

He said expansion of the business by ever increasing premium volume is a goal all strive for provided it is brought about by prudence in selection of risks. "There could be no more extravagant waste of human effort or reckless dissipation of accumulated resources in our business than the unlimited increase in premium volume without regard to selection," he said.

Much Business to Get

"Leaving aside the effect on reserves and capital structure, the wreckage due to losses from indiscriminate writings is too evident to deserve further discussion. There is plenty of business, however, even with underwriting restrictions. Much of it is still uncovered and needs to be discovered."

He said in spite of the tremendous growth of automobile casualty business to the premium peak of \$347,302,000 for public liability and property damage in 1929, it is estimated only one car in four carries insurance. Only one out of 20 persons living in private residences is protected by burglary, theft and robbery cover, he said.

There is still a large field for expansion in public liability coverage for manufactured products, especially food. There is millions of dollars worth of merchandise sold annually, the bulk being insurable under this form yet only a small portion to date being covered. This applies, Mr. Proctor said, especially to the smaller manufacturing businesses. There are also great possibilities for growth in the boiler and machinery field.

Trailers Offer Possibilities

Another good possibility for the hustling producer is covering the many thousands of automobile trailers on the highways. Mr. Proctor said it is doubtful if many are properly insured and it is possible new forms of coverage may be required to meet this new mode of living. While most surety bonds are required by statute, thus not requiring the field man to create the business, in every legislative session new provisions and creation of commissions require new surety bonds. Mr. Proctor said it will pay producers to watch closely the legislative acts for this type of business. Where the laws allow personal bonds, he said, agents will perform a real service by having the law changed to allow corporate surety bonds.

In the fidelity bond field possibilities

Opportunity Being Missed

Commercial Blanket and Blanket Position Bonds Offer Way to More Sales, Aetna Casualty Man Tells Ohio Gathering

Commercial blanket and blanket position bonds offer a splendid sales opportunity, L. B. Fowler, field supervisor Aetna Casualty, stated in a talk at the Cleveland, O., gathering sponsored by the Ohio Association of Casualty & Surety Managers, initiating a fidelity bond campaign. Agents and brokers, he said, have been derelict in failing to offer the public proper protection against dishonesty losses. He cited results in a survey made by the McGraw-Hill Publishing Company, which showed that only 53 percent of 667 firms interviewed carried any form of insurance against dishonesty loss.

"The fact that 47 percent had not bonded their employees in all probability meant that they had never been solicited, or that the solicitation had been casual," Mr. Fowler said. "As an agency bond production man, it has been my duty for some years to find the answer to the 47 percent uninsured. My belief is that the average agent has been a little confused with the various forms of bonds, the methods of rating and what has appeared to him to be too much detail. Today, these objections do not hold, for within the past few years—without much fanfare—the Surety Association standardized two new forms.

Called Answer to Problem

"Frankly, their acceptance by agents and brokers has been disappointing, but nevertheless, these two forms are the answer to your problem. I recommend that you study these two bonds so that you may realize their tremendous sales possibility. Their adaptability is such that they can be fitted to each and every business—large or small—whether there are five employees or 1,000. I refer to the commercial blanket bond and the blanket position bond. Forget about all the others. Leave the others to those who specialize entirely in suretyship. What special advantages do these two bonds have?

"1. All employees of an employer are covered. Therefore it is unnecessary for an employer to pick out those employees who he thinks cause a loss.

"2. New employees taken on during the year are automatically covered without additional premium.

"3. As applications are taken on all new employees, the investigation service of the surety with respect to such employees is available to the employer.

"4. Premiums are figured annually for the ensuing year. Therefore there is no troublesome additional or return premium to be figured, billed, collected or returned as under the usual name schedule bond.

Says Bonds Are Flexible

"5. The bonds are flexible, for it is possible under stated conditions to increase the coverage on certain key men at a reasonable additional cost.

"6. The insuring clauses are very broad—in fact they provide the broadest coverage applicable to such fidelity bonds.

"What are the differences between the two bonds?

"1. The commercial blanket bond is available in multiples of \$25,000, al-

scarcely have been scratched, only about 5 percent of fidelity losses being insured, Mr. Proctor said. The average business man is not covered, or is covered only inadequately against such losses. In 1934 it was estimated dishonesty and embezzlement losses totaled \$405,000,000 of which less than 5 percent was covered by insurance, he said. It was double the national fire loss, whereas it is probable that fire insurance was generally carried.

though for a business employing 20 or less employees it can be written for \$10,000, \$15,000 or \$20,000. The blanket amount applies to each and every employee, but when a loss is paid it is deducted from the bond amount. An amount equal to this loss payment is immediately restored, thereby bringing the bond up to the original amount providing an additional pro rata premium is paid for such restoration, but the amount restored is available only for losses that occur after the date of the restored amount. In view of that fact it probably is best to have the bond written in a fairly substantial amount.

"2. The blanket position bond is available in multiples of \$2,500 (\$5,000, \$7,500, etc.) up to a limit of \$20,000, which is the largest amount for which the bond may be written. Each employee is covered for the full amount of the bond. For instance, if an employer has 100 employees and carried a \$2,500 blanket position bond he will have a total of \$250,000 coverage. Loss payments do not reduce the bond and no restoration premium is paid by the employer when a loss occurs.

Advice on Their Use

"How do you decide which bond to use? It has been my observation that the blanket position bond is best adapted to the business that has not over 30 executives, department managers and those employed in a supervisory capacity, and field employees. Inside salesmen and office workers are charged at \$1.50 per employee regardless of bond amount, and there is no charge for factory workers. When those classes of employees enumerated first are more than 30, it is best to switch to the commercial blanket bond because of the premium involved.

"Very few contracts for this form of insurance are closed at the first interview, so it is desirable to leave an easy way open for a return call. Never try to figure a premium in front of your prospect. By the time you have taken your manual out and gone through the many steps, his interest has cooled.

Advise Information Call

"Get the information and then upon return to your office determine whether the commercial blanket bond or blanket position bond is the best and what it will cost. You can then prepare a definite written proposal and return later to see your prospect. If you do not close the sale at that interview, continue to call, for according to an average my company has compiled, at least 80 percent will eventually buy if properly solicited and followed up."

General Accident Get-Together

About 50 agents of General Accident from eastern and middle western points gathered in Hot Springs, Va., Thursday, Friday and Saturday of last week for the annual stag get-together. United States Manager Frederick Richardson and Assistant Manager John H. Grady, who had been in White Sulphur Springs, W. Va., earlier in the week for the big casualty company and agency convention, went to Hot Springs to be with their representatives. This is largely a social and good fellowship get-together.

State Farm's Minnesota Rally

Two hundred Minnesota representatives of the State Farm Mutual Automobile attended a state-wide agency meeting in St. Paul. A. W. Tompkins, agency vice-president, and Frank J. Brown, state director of insurance for the Minnesota Farm Bureau Federation, were speakers.

New Occupational Rating Theory in Illinois Filing

Chicago Lloyds Makes Bid for Telephone Company Employees' Cars with 45-50 Percent Cut

A new theory of automobile rating—by occupational classification—is embodied in the automobile rate filings made in Illinois by Chicago Lloyds. If it is upheld by the insurance department some interesting questions will arise under the recent order of Insurance Director Palmer that so-called fictitious fleets could no longer be written—that is, fleets of separately owned private passenger cars of employees of corporations.

Mainly involved in the filing is the fleet of the Illinois Bell Telephone Company's employees' cars, which has been a plum fought over in Chicago for some years, changing hands frequently.

Sets Up Four Groups

Chicago Lloyds filed for three occupational classifications, it is understood on good authority: Electrical, with a rate 45 to 50 percent below manual; steel, 35 to 40 percent below, and packing houses, 25 to 35 percent below. There was an additional "general" classification taking in all other types of assured, the filing being for a rate 20 to 25 percent below manual.

A number of other companies are understood to have filed rates classified by occupations, but none bearing the significance of the Chicago Lloyds' filings.

Until such time as the insurance department should elect to disapprove this filing as unwarranted by experience, Chicago Lloyds is free to write on the new basis. The department, it is understood, is analyzing the experience and rate filings for all companies and will announce its decisions later.

Carlisle Durfee Appointed New Century Claim Head

Carlisle Durfee, well known Chicago insurance man and attorney, has been appointed by the New Century Casualty of that city as general attorney in charge of the home office claim department. The functions of this department are largely supervisory, and heretofore have been directed by Walter Salomon, underwriting manager, and others of the home office staff. The department's facilities are being enlarged under direction of Mr. Durfee.

He has been in insurance since 1916, starting with the American Automobile in Chicago. He was claim attorney and assistant manager and helped to organize the Chicago branch office. After five years he became a general agent there, joining in the firm of Walters & Durfee, which later by merger became Hodgkinson & Durfee. With dissolution of that agency in 1932, Mr. Durfee turned to the practice of insurance in Chicago, in which he has engaged until the present.

He is a graduate of the St. Louis University school of law of 1914 and a member of the Missouri and Illinois bar, admitted to practice before state and federal courts of both states. Mr. Durfee for three years has lectured in the casualty III class of the Insurance Institute course in Chicago held under auspices of the Insurance Education Committee.

Revive Seattle Association

SEATTLE—The Accident & Health Managers Association of Seattle has been reorganized with 20 charter members. Paul R. Green, Aetna Life, is president; H. O. Fishback, Northern Life, vice-president; S. S. Bjorn, Continental Casualty, secretary-treasurer. Al Carson, Hartford Accident, and G. C. Fuller, North American Accident, are on the executive committee.

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London Lloyds May Hope for Illinois Law Change

Extension of License to Dec. 31 Seen by Producers as Intention to Remain in State If Possible

London Lloyds by securing a second extension of its Illinois license, permitting it to service risks until Dec. 31, but not to write new business except surplus lines, may be fencing for time in the hope that Governor Horner will call a special session of the legislature and that a proposal to modify the Lloyds section of the insurance code would be successful.

An amendment sponsored by Lloyds counsel was rejected by the last legislature. Under the code as passed, it is believed, Insurance Director Palmer has no discretion but must enforce the requirement which is causing the present misunderstanding with London Lloyds.

This opinion was expressed this week by one of Lloyds' Illinois representatives. He said undoubtedly considerable pressure has been brought on London Lloyds by the Illinois representatives to negotiate some basis on which Lloyds can continue to operate in and from the state as a licensed carrier.

Kentucky License Unused?

Everything points to a persisting hope of the underwriters that an arrangement can be made. It is known that the Kentucky license secured by London Lloyds not long ago was negotiated by a Kentucky insurance man who had in mind mainly the writing of long haul trucks. So far as is known this has been little if any used. Experience on long haul risks proved so bad that London Lloyds as well as most other carriers adopted a policy of rarely writing these.

Another medium which many insurance men believed might be employed by London Lloyds to continue its business in this country on an authorized basis was that of making an arrangement in a state with a small primary carrier which reinsured most of its liability in London Lloyds. It was said in some instances it was believed this was done on a basis under which the primary carrier received a small fee. Insurance men felt this was merely a means of using the name and license of the local carrier.

This development, it is said, occurred

Canadian Speaker



J. J. MAGRATH, New York

One of the chief speakers at the annual meeting of the Ontario Fire & Casualty Insurance Agents Association at Toronto was J. J. Magrath, formerly chief of the rating bureau in the New York insurance department, who is now with Chubb & Son of New York City.

in North and South Dakota, Oklahoma and Missouri, and perhaps other states. However, it is reported to have been concerned mainly with long haul truck risks, which no longer are sought.

However, this arrangement did not and could not get around the law requirement general in this country that a carrier not cover any risk for more than 10 percent of its capital and surplus. This is the main issue in the Illinois difficulties of London Lloyds, arising over the 10 percent limitation provision in the Lloyds section.

For this reason, it is believed there is little to the rumors that London Lloyds would form an Illinois insurance corporation to serve as a vehicle.

The G. A. Holland Company agency, at 711 Register & Tribune building, Des Moines, for the last nine years, has moved to 304 Liberty building.

Team of Palmer and Welton Stars at White Sulphur

Spencer Welton of Chicago, vice-president Massachusetts Bonding, was toastmaster at the banquet during the convention of the casualty executives and agents in White Sulphur Springs, W. Va. He declared that C. H. Burras, Chicago agent, had gone on a sit-down strike and declined to present the prizes and the task was delegated to Insurance Director Palmer of Illinois.

Richard E. Bockenkamp of St. Louis came off with the top honors in golf and his name is to be inscribed on the trophy presented by President Charles R. Miller of Fidelity & Deposit.

Other golf winners are:

Mrs. T. A. Engstrom, Philadelphia; Mrs. John G. Yost, Baltimore; Mrs. H. P. Jackson, Newark; Mrs. T. L. Kane, Philadelphia.

Also: M. R. Johnson, Pacific Indemnity; Franklin Vanderbilt, Indemnity of North America, New York; J. P. Hacker, Standard Accident; Geo. E. Tribble, Maryland Casualty; Paul Rutherford, Hartford Accident; Francis S. Carnes, Baltimore; Vincent J. Armstrong, Jacksonville, Fla.; Glenn Charlton, Lawrence, Kan.; Robert C. Knox, Hartford; Wm. M. Smith, Flushing, N. Y.

Others are: T. A. Engstrom, Philadelphia; Howard Abrahams, National Surety; Wallace Falvey, Massachusetts Bonding; J. M. Haines, London Guarantee; J. S. Turn, New York; Owen Mitchell, St. Louis; Milton R. Whited, Cleveland; Frank R. Bell, Charleston, W. Va.; Carl P. Daniel, St. Louis; Wm. D. O'Gorman, Newark; Commissioner C. W. Lovejoy, Maine; William Leslie, National Bureau of Casualty & Surety Underwriters.

In addition: Wilmot Smith, Aetna Casualty; H. P. Dunham, American Surety; H. P. Linn, Central Surety; F. A. Bach, Fidelity & Deposit; J. R. Sydnor, Kansas City; C. A. Abrahamson, Omaha; Byron Pleton, Toledo; E. R. Ledbetter, Oklahoma City.

* * *

President J. M. Haines of the International Association of Casualty & Surety Underwriters, in introducing the seven insurance commissioners present, said they were suffering from a "code in the head."

* * *

Among those arriving who went to White Sulphur from convention of National Association of Insurance Agents at Dallas were Mr. and Mrs. C. A. Abrahamson of Omaha, Mr. and Mrs. John G. Yost of Baltimore, Spencer Welton, Philip F. Lee of Baltimore, John R. Rob-

inson, London Guarantee in New York and Glenn Charlton of Lawrence, Kan.

* * *

Superintendent L. H. Pink admits that the morning he went horseback riding at White Sulphur he and the horse were not "of the same mind."

* * *

Mr. and Mrs. James R. Millikan of Cincinnati were welcomed back to the convention after an absence of two years.

* * *

Mrs. William Leslie of New York accompanied her husband, who is the general manager of the National Bureau of Casualty & Surety Underwriters, to the convention for the first time.

* * *

J. Arthur Nelson, president New Amsterdam Casualty, motored from Baltimore with his daughter, Alice, and his son, Boyd Nelson.

* * *

Assistant Secretary of War Louis Johnson was warmly greeted. He has an extensive insurance acquaintance. It was he who presented the brief that won from the federal authorities the significant decision that agents under contract with America Fore companies are not employees within the meaning of the social security act.

* * *

Claude W. Fairchild, acting manager Association of Casualty & Surety Executives, who was responsible for the program of speakers at the convention, was congratulated on his management and particularly for his success in obtaining Mr. Johnson as a speaker.

Hoffman Talks to Women

The one line that the average insurance office girl doesn't know much about is surety bonds, which is why the Detroit Insurance Women's League dated Charles L. Hoffman of the U. S. Fidelity & Guaranty branch there for the October meeting. Fifty women gave his very matter of fact presentation their close attention. The time given him being limited, he dwelt mostly on the fraud bond form and supplemented his talk with a lesson in the storekeepers' burglary policy.

New companies that have entered California include Manufacturers Casualty of Philadelphia and Houston Fire & Casualty, Houston, Tex.

New Officers of Casualty Organizations



CLIFF C. JONES

Cliff C. Jones, head of the R. B. Jones & Sons agency of Kansas City, chairman of the Kansas City Fire & Marine and past president of the National Association of Insurance Agents, was



JOHN A. DIEMAND

elected president of the National Association of Casualty & Surety Agents at the annual meeting in White Sulphur Springs, W. Va. John A. Diemand, executive vice-president of the Indem-



C. B. MORCOM

nity of North America, was elected vice-president of the International Association of Casualty & Surety Underwriters. C. B. Morcom, vice-president Aetna Casualty, was elected chairman of the



W. D. O'GORMAN

executive committee of the company organization. W. D. O'Gorman of Newark is the new vice-president of the casualty agents organization.

"Merchandising" Program for Agent Is Outlined

Speaking before the annual meeting of the South Dakota Association of Insurance Agents in Sioux Falls, Earl Dean, superintendent of agents of the Aetna Casualty, depicted the local agent as in fact an independent retail business man, with problems similar to those of a merchant in many respects, but with some definite distinctions and very definite advantages. His status as a "merchant" depends on whether as an agent his is a specialty shop restricted to a single line or two, or a department store with adequate facilities for providing every kind of insurance protection.

One of the first problems of any merchant is that of location, which must be convenient to the largest number of people of the class he expects to serve. He is willing to pay high rent if necessary to get such a location. The location of the agent's office, unless he is interested in developing a large brokerage business, is not of major importance.

It is important, however, Mr. Dean said, that he should spend such time and money as may be required to develop contacts with groups offering the largest number of people with insurance requirements and the ability to pay for the protection needed. Such an investment, he believes, should pay just as good returns proportionately as the higher rents paid by good merchants.

Even more important is the determining of a "merchandise policy." While a merchant's stock is tangible and can be displayed, that of the agent is intangible and requires quite a different sales technique. However, one of the major factors in the continued success of either is confidence. The merchant must offer different grades of merchandise to meet the requirements of his customers, although some stores are built on "quality," while others are definitely built on "price."

An increasing number of agents, at a

(CONTINUED ON PAGE 34)



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Complete cooperation in every phase of agent relations is a part of the personalized, integrated service provided by the Builders & Manufacturers Casualty Company. Through it, the best interests of policyholders and agents are served.

Inquire about the services B. & M. offers and the agency building opportunity that is available.

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Bay State Governor Is Silent on Probe Report

BOSTON.—Governor Hurley has let it become known that he will withhold comment on the report of the legislative committee investigating the defunct Commonwealth Mutual Liability, which charged the commissioner with wrecking the company, until after he has received the report of the one minority member of the committee, Representative John W. Coddraire, Jr., who has intimated he would have a minority report ready some time this month.

Interest has been aroused in the manner in which the sensational majority report was given out. One or two local papers received the report early Saturday evening, Oct. 9, in time for all Sunday editions. One paper did not receive it until its last early morning edition.

On the other hand, postal cards mailed Saturday to insurance offices in the city offered the complete report, immediate delivery, for \$10, to be furnished by a small local advertising and publicity agency.

The report itself did not become official, or public property, until it was filed Monday at the state house.

Commissioner DeCelles, returning from the White Sulphur Springs casualty convention, made his first comment on the report of the Commonwealth Mutual investigating committee.

"I have just returned to my desk and have not yet read the committee report," he said. "However, from newspaper reports I gather that these gentlemen of the majority of the committee have some criticism of myself and the supreme judicial court in the matter of the insolvency and mismanagement of the Commonwealth Mutual. The supreme judicial court needs no defense from me, and it is obvious to fair-minded men from the court's two decisions that I simply did my duty in the matter."

Industrial Insurers Date Set

The 1938 spring meeting of the Industrial Insurers Conference will be held May 6-7-8 in Jacksonville, Fla., it is announced by Frank P. Samford. Mr. Samford, president Liberty National Life of Birmingham, is chairman of the executive committee.

To Honor Edson S. Lott

A. Duncan Reid, president of Globe Indemnity, is chairman of the committee that is arranging a subscription dinner in honor of Edson S. Lott at the Hotel Plaza in New York the evening of Nov. 10. That is the birthday of the honored guest, who is chairman of United States Casualty and for years has been one of the most colorful figures in the casualty business. Other members of the committee are Vincent Cullen, National Surety; Wallace J. Falvey, Massachusetts Bonding; T. J. Grahame, Globe Indemnity; John J. King, Hooper-Holmes Bureau; John McGinley, Travelers, and W. M. Tomlins, Jr., American Surety.

A. & H. Men Discuss Code

NEW YORK—In addition to reviewing the work of the governing, underwriting, statistical and manual committees, the Bureau of Personal Accident & Health Underwriters at its gathering here Thursday will discuss features in the tentative New York insurance code as applied to accident and health policies, and will also consider the attitude of the Missouri department toward certain standard policy clauses. Many of the bureau men will attend the dinner to Stewart L. Lamont, vice-president of the Metropolitan Life and head of its accident and health department.

Hubbard Now Special Agent

R. A. Hubbard, who has been with the American Surety branch in Kansas City for three years, has become a special agent in Kansas and western Missouri.

Fidelity Sales Rally in Cleveland Draws 300

Third Meeting in Ohio Series—Jones Urges Insuring "Trusted Employe"

CLEVELAND — More than 300 turned out for the meeting here Tuesday in the Ohio fidelity bond production campaign, this being the third in a series of four rallies in the state. The undertaking is sponsored by the Ohio Association of Casualty & Surety Managers, and 23 surety-writing companies. The final meeting is scheduled for Toledo Oct. 26.

The Cleveland meeting was opened by Chairman K. O. Saunders, president Cleveland Surety Association, and manager Maryland Casualty.

L. Calvin Jones, Youngstown, O., spoke from the standpoint of the agent. Corporate suretyship is ultra-modern, he said. As business and money increase, the need for corporate suretyship becomes greater.

Who Are the Defaulters?

"Who are the defaulters?" he asked. "They are ordinary people who drive automobiles and own their homes—men and women of all ages—your neighbors. They are the trusted employees of business all over America. They may borrow a little from the company with every intention of paying it back but the obligation piles up until they have no chance of meeting it. They may be trying to help friends or relatives or their own circumstances may drive them to it. Defalcations increase year after year."

"I believe most people appreciate the call of an agent who really knows his business. We must be able to explain the contracts we sell in a way that will be understood. Working knowledge of the business is comparatively easy to acquire. Rates on bonds are changing continually. Manuals should be kept up to date."

Mr. Jones classified prospects as clients for whom the agent has written other lines; those who are entirely new so far as any agent is concerned, and then competitors' clients.

"I believe," Mr. Jones said, "you should create your own clients. And the people to whom you have sold other forms of insurance are your best prospects. If you take business from your competitors, it indicates that those customers are subject to change and the business probably won't stay on your books anyway."

Methodical Selling

"Be methodical in your selling program. Talk about the prospect's business. Ascertain the number of employees and the class of work done. Ask the prospect if he has ever considered fidelity bonds. Point out that business is becoming more complex and it is impossible to watch all employees closely; that total estimated losses in the United States each year will run from \$200,000,000 to \$400,000,000. He probably insures his factory against fire and his boilers against explosion. He may even insure his golf clubs. Yet he will perhaps overlook insurance on his bank balance and his securities which are among his most valuable assets. The prospect will give you a lot of arguments but he cannot give good reasons for not buying. Some claim they permit only trusted employees to handle money."

(CONTINUED ON PAGE 35)



School Days Are Accident Days

*S*TUDENTS travel to and from school, do considerable driving, engage in sports and many other activities and are constantly exposed to accidents every day of their lives. They need Accident Insurance which will provide funds for their proper care—pay for hospital, surgical and medical expense—in case they are injured. The Aetna Capital Accident policy is ideally suited to their requirements.

Every student, male or female, age 16 or over, is a prospect for Accident Insurance. The purchase of this pro-

tection, however, is usually made by a parent or guardian. The Aetna has a convenient plan whereby agents can sell Aetna Capital Accident policies to parents covering their sons or daughters away at school or college.

Aetna representatives not only capitalize on students' need for Accident Insurance but they also add to their commission income by selling the many other Aetna Accident policies designed to meet the needs of men and women in practically every walk of life.

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ACCIDENT AND HEALTH

Year's Activities Scheduled

Notable Program of Speakers Announced by Chicago Accident & Health Association

A complete schedule of the activities of the Chicago Accident & Health Association for the present season was distributed in printed form at this week's meeting of the association and was explained briefly by A. D. Anderson, Continental Casualty, chairman program committee.

The three big events of the year are the Accident & Health Sales Congress, Jan. 12, in charge of R. W. Abbott, Provident Life & Accident, chairman educational committee; the annual stag party, Friday evening, Feb. 11, C. Truman Redfield, Mutual Benefit Health & Accident, chairman, and the National Accident & Health Week breakfast, Tuesday morning, April 26. The date for the sales congress was selected because of the fact that the executive committee of the National Accident &

Health Association is to meet in Chicago the previous day and a number of men of national prominence in the business will be there at that time. A luncheon meeting will also be held Jan. 11, the day of the National association's meeting, when A. M. Holtzman of Denver, national president, will speak on "Eyes and Ears—for What?"

Speakers for Other Meetings

A number of nationally known speakers have also been secured for the other meetings. The schedule includes:

Nov. 9—"Wake Up and Go to Work," E. H. O'Connor, secretary United States Casualty.

Dec. 14—"Five-Minute Day"—10 five-minute talks by members of the Chicago association on topics of general interest to accident and health men.

Feb. 8—"Simplicity in Selling," J. E. Powell, vice-president Provident Life & Accident.

March 8—"Blind Man's Buff," Floyd Holdren, field supervisor Mutual Benefit Health & Accident, Omaha.

April 12—"A Salesman Takes a Lesson from Cleopatra," S. C. Carroll,

president Health & Accident Underwriters Conference; half-hour program on managers' problems, R. W. Abbott, chairman.

May 17—Half-hour program on general agents' problems and business meeting.

June 21—Evening meeting—election of officers, reports of committees, plans for next year.

Reports from several of the committees were also presented at this week's meeting. Bryan B. Blalock, executive secretary of the Lions Club, spoke on "Ten Requisites for Success in the Accident & Health Business." Emphasizing that this is the day of specialization, he listed as his 10 requisites for success as a salesman in any field: (1) Work hard, (2) study diligently, (3) have initiative, (4) love your work, (5) be systematic, exact, (6) have courage, keep on trying, (7) be friendly, (8) be able to develop personality, (9) do your best, (10) wear a friendly smile.

To Widen Pittsburgh Program

PITTSBURGH.—A program of greater scope for the Accident & Health Insurance Managers Association will be projected at the monthly meeting Thursday night. Plans for increasing membership and enlarging activities will be discussed, and the possibility of hold-

ing a sales congress will be considered. Stephen Ridgley, Hooper Holmes Bureau, will speak on inspection of accident and health risks.

California Joint Meeting Set

Los Angeles and San Francisco Clubs Unite for Meeting in Los Angeles Oct. 29

LOS ANGELES.—The annual joint convention of the Accident & Health Managers Club of Los Angeles and the San Francisco Accident & Health Club will be held Oct. 29 in Los Angeles. Los Angeles speakers will include W. G. Gastil, manager Connecticut General Life; I. O. Levy, vice-president Behrendt-Levy Agency; W. E. Lebby, state manager Massachusetts Indemnity, and Ralph Y. Yambert, president of Ralph Y. Yambert Co.

C. H. Thrift, president of the Los Angeles club, stated that a number of speakers from the San Francisco club will also appear on the program and that that club will be represented by a large delegation. It will be an all-day convention, beginning at 9:45 a. m. Ten important subjects will be covered by talks and discussions. The event will conclude with a banquet and entertainment program in the evening. H. B. Johnson is chairman of the convention committee.

Social Security Move to Health Cover Indicated

The recent speech of A. J. Altmeyer, chairman of the social security board, at the national convention of the American Federation of Labor in Denver, in which he indicated that the board is planning to broaden greatly the scope of social security in this country under federal auspices, has created considerable discussion and conjecture as to what was meant.

It was indicated that the board is

Accident Makes Friends in Building Local Agency

No other line of insurance, with the possible exception of life, offers so wide a range of prospects as does accident insurance, said James E. Powell, agency vice-president Provident Life & Accident, before the Tennessee Association of Insurance Agents at the annual meeting in Chattanooga.

With few exceptions all individuals are prospects for accident insurance. If they are gainfully employed they need income protection. If not, they still need coverage for medical and surgical bills, hospitalization and other expenses which are constantly increasing. The loss frequency in the accident business makes it an especially good coverage to sell. About one fire policy in every 1200 becomes a claim each year while the ratio in the accident business is about one in eight. For this reason the benefits of an accident policy are more readily realized by the assured. It gives the client a chance to do some little collecting instead of always paying the premium.

Crop diversification in farming can be well applied to insurance, said Mr. Powell. Local agents will find it profitable to develop a good line of accident business. Accident insurance aids in building a clientele and makes friends for the office. From accident it is only a logical step to secure other business. If an agent is content to write his present general lines and let the other fellow have the accident business, it is possible that the other agent will use accident as an entering wedge to gain the customer's entire line. Accident insurance makes a local agent money, increases his clientele and aids in holding business.

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planning a health insurance program. "I should like to suggest," Mr Altmeier said, "that there are considerable advantages in breaking down the discussion of so-called health insurance into two phases: Provision for medical care, and protection against wage loss. In the social security act we already have two plans for social insurance against loss of wages; unemployment compensation provides protection against temporary loss of income due to a particular cause—involuntary unemployment; old-age insurance, against permanent loss of income due to a particular cause—old age. Loss of wages due to ill health or physical disability may also be either temporary or permanent. Many students in this field believe that a useful analogy may be drawn between the two insurance programs already in operation and the unsolved problems of economic protection against loss of wages due to these two kinds of physical disability. They suggest that the economic risks of temporary disability might perhaps be approached along lines similar to those worked out for unemployment compensation and, still earlier, for workmen's compensation; and that provision for permanent disability might follow a pattern somewhat like that already worked out for old-age insurance."

Study Definition of Group A. & H.

TORONTO—In an attempt to arrive at a definition that can be recommended as standard, of group accident and health, a subcommittee representing both the United States and Canadian insurance commissioners' organizations is meeting here this week. Fundamental differences must be reconciled between one type of insurer that desires a limited definition of group A. & H. and another type that desires a liberal application of the group idea.

Superintendent McNair of Ontario is chairman of the subcommittee. The other members are Paul R. Taylor, deputy superintendent of New York, and Mr. Madden of the Pennsylvania department. A number of company representatives are also on hand.

Issues "Dual Service" Policy

The "dual service" disability policy of the Inter-Ocean Casualty offers complete hospital coverage in connection with disability benefits. It pays for five years for total accident disability, with two-fifths partial for six months; eight months for confining illness (starting with the eighth day) and one-half non-confining for two months.

The hospital indemnity, which remains the same regardless of monthly indemnity purchased, includes \$4 per day for 21 days in any one policy year for hospital confinement, up to \$10 for use of operating room and up to \$5 each for as many as three x-rays. It allows choice of indemnities for dislocation and fractures and pays for five treatments at \$2 each for nondisabling injuries. Airplane accidents to fare-paying passengers are covered. Death and dismemberment indemnities increase 1 percent per month for 50 months. It is issued to men only.

The annual premium for \$100 monthly and \$1,000 principal sum for ages 17-49, class AA, is \$37.20. It can also be written on the monthly basis, with premium of \$3.10 for the same class.

Wilson Heads Omaha Company

G. H. Wilson has just become president of the General Health & Accident of Omaha, which was incorporated early in 1936 but did not write any business in that year. The company has established offices at 714 Omaha National Bank building and is issuing a complete line of commercial health and accident policies and a special policy written exclusively for personal loan companies in connection with their loans. It will operate for the present only in Nebraska but expects to expand next year into several more states.

Mr. Wilson was for three years with the World of Omaha as vice-president,

resigning to take charge of the new company. Before going to Omaha he was with the Detroit Life in Detroit.

Issues Hospitalization Policy

United Hospitalization Service, Suwannee Life building, Jacksonville, Fla., which is affiliated with the Suwannee Life of that city, is issuing a hospitalization policy which provides nursing not

to exceed \$5 per day for hospital room for 21 days each policy year; up to \$10 for operating or delivery room, \$12 for anesthetics, \$5 for ambulance service, \$10 for medicine and bandages and \$25 for x-ray. The cost for the first member of any family is \$3 quarterly, second member \$2.75 and each additional member \$2.50. There is also a registration fee of \$1. The rates are the same for everyone from age 5 to 70. It has es-

tablished branch offices in eight Florida cities in addition to the main office at Jacksonville.

Report on the North American

A convention examination of the North American Accident conducted by Illinois, Washington and the District of Columbia as of May 31 shows capital \$400,000, assets \$2,880,069, contingency



Unique

Each of us feels himself to be unique—and we are—no two individuals are alike. By what standards, then, can we safely judge others? How can we measure their inner strength—their moral stamina—if we cannot safely judge others by ourselves?

National Surety Fidelity bonds bring certainty and security to this last frontier of science—human nature itself. Experienced executives regard their cost as necessary "life" insurance for business. But records show even experienced management usually underestimates the amount of coverage needed.

Each year National Surety promptly pays just claims for many "shock losses" that would otherwise wreck the businesses affected. It pays to live in National Surety Town.

National Surety representatives everywhere—themselves picked men—are selling Fidelity bonds and blanket bonds; plus protection against burglary, forgery, and many other dangers.

NATIONAL SURETY CORPORATION
VINCENT CULLEN, PRESIDENT
New York

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reserve \$300,000, premium reserve \$1,157,297, net surplus \$402,150. The examiners found that the policyholders were fairly treated and the company was found in sound financial condition with an efficient management.

Lebby Agency Is Leader

William E. Lebby of Los Angeles, California state manager Massachusetts Indemnity, led all branches of the company in September for paid production of new business. His agency also won second place for the month for the General Accident, which he represents as general agent.

Conference to Meet May 24-26

While the date for the annual meeting of the Health & Accident Underwriters Conference was not set definitely at the meeting of the executive meeting in Chicago last week, it is practically certain that it will be held May

24-26 at the Edgewater Beach Hotel, Chicago. Those will be the dates, unless it should develop that there is some conflict with the meetings of other organizations in the same field.

Barnes Is Columbus Speaker

The Columbus (O.) Accident & Health Association at its first general meeting of the fall heard an interesting talk by Frank L. Barnes, agency vice-president Ohio State Life, on "Accident and Health Insurance Today."

Ten new members were added. W. B. Cornett, president of the association, presided.

Angsten Talks on Radio

P. J. Angsten, chairman Illinois industrial commission, gave a talk over radio station WCFL, Chicago, on the commission, administration of the workers' compensation and occupational disease laws. This is the first of a series over the station.

FIDELITY AND SURETY NEWS

Field for Judicial Bonds

Importance of Corporate Surety Stressed by W. R. Briscoe Before Tennessee Agents

Some suggestions on writing judicial bonds were presented by W. Russell Briscoe of Knoxville at the annual meeting of the Tennessee Association of Insurance Agents. This classification, he said, includes any bonds filed in a court in accordance with a statutory requirement, either for the purpose of guaranteeing the faithful performance of the duty of a fiduciary acting under the supervision of the court, or to enable the parties engaged in litigation to procure the benefit of the process as provided

by law for the enforcement of the respective rights and remedies of the parties litigant.

He grouped them in two general classifications: (1) Fiduciary bonds, which in substance guarantee that fiduciaries appointed by the court for the performance of certain duties will discharge those duties honestly and properly according to law, including bonds of executives, administrators, guardians, trustees, receivers and the like; (2) court bonds, including all those required by litigants to enable them to pursue certain remedies of the court, such as replevin, garnishment, attachment, appeal, dissolved attachment, release of garnishment and the like.

Judicial bonds form a steady source of renewal income for an agency, he said, and should be intensively solicited. In most cases they form a clean type of business and the premiums usually are forthcoming immediately. The business is interesting from any standpoint, and each case is as different from the other as day from night.

Mr. Briscoe emphasized the desirability of corporate sureties on such bonds and the danger of signing as a personal surety. "Even though a judicial bond may be small," he said, "claims have an odd way of coming up years after the signer has forgotten all about the transaction. The records of all surety companies bear out the fact that they have had claims arise five, 10 and even 20 years after their files have been closed on some judicial bonds." He cited a recent case in which one of his companies was surety on an administrator's bond for \$25,000. Years after the administrator and all known heirs were dead, a child of the deceased by another wife appeared and presented proof that he was the rightful heir to the entire estate. The case was settled by the surety for a substantial sum.

Slate W. H. Wallace for Chicago Surety President

W. H. Wallace, surety manager of Hartford Accident, is the choice of the nominating committee of the Surety Association of Chicago for president to succeed R. E. Hall, Ocean Accident, at the annual meeting Nov. 9 in the Medinah Athletic Club. The committee reported at the luncheon meeting this week. P. O. Olstad, Continental Casualty, who is now secretary, is nominated for vice-president and H. L. Dalton, National Surety, is to be secretary. Walter Lane, U. S. F. & G., is named for treasurer and E. V. Mitchell, general counsel Continental Casualty, for counsel. For membership on the executive committee there are slated W. H. Hansmann; W. O. Schilling, U. S. F. & G.; Mr. Hall, Louis Knapp, Great American Indemnity; A. A. Korte, W. A. Alexander & Co., and Ed O'Donnell, Bartholomay-Darling.

R. D. Searles, manager Fidelity & Deposit, reported as chairman of the committee on entertainment for the annual banquet and entertainment. J. P. Keevers, Maryland Casualty, reported for the nominating committee.

May Test New Ohio Law

COLUMBUS, O. — It is reported that a suit will be brought to test the constitutionality of the four new boards which have been set up in Ohio under a new law to handle workmen's compensation claims. The law provides for the establishment of a "board" and under the new arrangement there are four regional boards in addition to the workmen's compensation commission itself. Each board has final jurisdiction in its own area in respect to original claims. Opponents of the new system charge that the setting of five boards in place of one is contrary to the law.



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insurance

LONDON GUARANTEE & ACCIDENT CO. LTD.

U. S. BRANCH, 55 FIFTH AVENUE, NEW YORK, N. Y.

CASUALTY ASSOCIATION NEWS

Fraudulent Claims Address

Assistant States Attorney Urges Chicago Claim Men to Fight Cases Involving Fraud

James Brown, assistant states attorney of Cook county, Ill., speaking before the Chicago Claim Association, urged claim men to take a more positive stand in cases where questions of fraud were involved. "Some one must assume responsibility and exert the effort of denying liability in such cases," he said.

The broad operating facilities of the states attorney's office offer more opportunity to enter situations unhampered, he continued, and will at all times act in such a manner as to protect the assured in situations where any resulting action might be brought for false arrest. "A competent staff of attorneys, investigators and police are at the service of claim men at all times," he stated.

He cited instances to show how the testimony of a perjured witness can influence juries to return unfavorable verdicts against the assured. "Most cases of fraud are instituted when there is something outstanding about a particular accident," he said. He pointed out a number of cases instituted against the Chicago surface lines in which there was no evidence that the claimants were involved in the accident other than the fact that they could refer to having seen an organ grinder on the rear platform which they had learned from reading the newspapers. He said that although prosecutions are frequently not severe enough, it does give the states attorney's office opportunity to keep on file the names of those who are perpetrating fraud.

In extending the facilities of his office Mr. Brown said he would welcome every opportunity of investigating any files that claim men would set before him.

Dux Heads Los Angeles Group

A. J. Dux, special agent Fidelity & Casualty, was elected president of the Casualty & Surety Field Men's Association of Los Angeles, at its annual meeting. He was formerly secretary. Other officers are: R. P. Wilkins, Fireman's Fund Indemnity, vice-president, and E. L. Matson, Hartford Accident, secretary-treasurer.

Fraudulent Claims Discussed

LOS ANGELES—At the luncheon of the Casualty Adjusters Association here, George Stahlman, deputy district attorney, discussed activities of the district attorney's office with respect to fraudulent filing of accident claims against insurance companies. Indictments of several lawyers and doctors are expected. Ed. Myers, assistant chief deputy, also spoke.

G. I. Miller, insurance broker, member of the grand jury, said that body will cooperate with district attorney's office in procuring indictments where valid.

Herbert S. Halner, investigator of the state bar association, maintained a clearing house is necessary for the companies to cooperate with district attorney's office to clean up these cases whether flagrant or small. The name of every layman, doctor and attorney involved should be listed for future checking.

A dinner dance will be held Dec. 10.

Plan Indiana Bond Drive

INDIANAPOLIS—At the first fall meeting of the Casualty & Surety Field Club of Indiana plans were discussed for making a special drive for fidelity bond. Whether this should be done by meetings of agents at given points in

the state, an advertising campaign or some other still more direct means for reaching prospective buyers was considered. A committee has been appointed to formulate recommendations to the club. Several members had been in touch with the efforts along this line in Ohio and reported what has been done there.

Irving Williams, editor of "Rough Notes," reported some of the casualty and surety high points of the Dallas

convention of the National Association of Insurance Agents.

To Discuss Golf Liability

"Unusual aspects of golf liability insurance" will be the subject discussed at the meeting of the Chicago Casualty Underwriters Association. The meeting will be at Eitel's in the Field building at noon Oct. 27. The speaker will be Andrew M. Collins of the law firm of Collins, Holloway & Kelly.

Survey Utah O. D. Hazard

SALT LAKE CITY.—An extensive survey to determine what inroads are

being made by industrial diseases into the health of Utah workers will be under way in a day or two. All industries will be surveyed. The survey will be under the direction of the United States Public Health Service with a number of agencies cooperating. The results of the survey will be made available at the next Utah legislature, when it is expected the extension of the workmen's compensation law to cover industrial diseases will be strongly advocated. Proponents of the extension of the act agreed to postponement of such extension until after the survey has been made, so the bill could be drafted to meet current conditions.



PIRATES OF TODAY ARE DISHONEST EMPLOYEES. THEIR PLUNDER FROM AMERICAN BUSINESS INSTITUTIONS EXCEEDS \$200,000,000 ANNUALLY.

**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY, MO.

DENNIS HUDSON, President

CAPITAL
\$1,000,000.00

SURPLUS
\$1,200,097.40

**LIABILITIES
EXCEPT CAPITAL**
\$3,539,799.02

ADMITTED ASSETS
\$5,739,896.42

As at June 30, 1937

NEWS OF CASUALTY COMPANIES

Full Victory for Company

All Charges Affecting Builders & Manufacturers Casualty Are Dismissed By the Court

Complete victory was won by Builders & Manufacturers Casualty of Chicago in the action that was instigated by several employees of the predecessor, Builders & Manufacturers Mutual Casualty, when Superior Judge Niemeyer of Cook county dismissed the request of the complainants for appointment of a receiver, for an injunction and for setting aside the agreement whereunder the stock company reinsured the assets and liabilities of the mutual 100 percent. That removes from the path of the stock company any obstacle so far as this litigation is concerned. The complainants were given 20 days to show whether fraud existed in the relations between the old mutual company and the Harrison Brewster agency. However, that portion of the action affects the going stock company, in no way.

The former employees of the mutual company brought the action in the names of about 15 policyholders.

Builders & Manufacturers Casualty is now licensed in eight states—Colorado, Nebraska, Iowa, Illinois, Indiana, Michigan, Ohio and Pennsylvania.

The company is writing compensation, liability and automobile. It is revising its field set up and has assigned three former head office employees to special agency positions.

Claude D. Casey, who was connected with the mutual company about four years in the claims, safety engineering and underwriting work, is located in Des Moines, supervising operations in Iowa and Nebraska. Leslie A. Bloom, who has been with the company about two years, is in Indianapolis handling Indiana and eastern Ohio. L. E. Goethe, who has been with the company about eight years, is supervising Michigan and northeastern Ohio.

Northwest Casualty's Increase

The Northwest Casualty of Seattle has increased its capital from \$250,000 to \$400,000 by declaring a stock divi-

dend of \$150,000. The entire stock is owned by the Northwestern Mutual Fire of that city. With the larger capital it is qualified now to write other lines. It has been writing automobile, burglary and plate glass.

Pacific Employers New Building

Ground has been broken for the new home office building of the Pacific Employers at 1033 South Hope street, Los Angeles. It is expected to be completed and ready for occupancy by March 1, 1938.

Buckeye Union Expands

The Buckeye Union Casualty is enlarging its office accommodations at Columbus, O., approximately 4,000 feet of space being added. Space has been taken in an adjoining apartment building and is being fitted up for home office use. It is expected that the new section will be ready for occupancy some time in January.

Houston F. & C. in California

The Houston Fire & Casualty has been licensed in California to write liability, common carrier liability, automobile and other lines. Cravens, Dargan & Fox have been appointed managers.

Travelers Accident of Syracuse, which later was taken over by the New England Mutual Accident of Boston. This in turn was absorbed by the General Accident, which Mr. Henry represented for many years. His son F. E. Henry, Jr., is continuing to operate the agency.

Stephen McLaughlin, assistant vice-president of the Massachusetts Bonding, is on a three week trip to branch offices in the west and middle west. He expects to go out as far as Omaha. He has charge of burglary and commercial accident and health departments.

Market Crash Melts Surpluses

(CONTINUED FROM PAGE 23)

denied as timid and backward. It may be that one of the underlying causes of the difference in attitude is the difference in financial structure.

Both fire and casualty companies are having a remarkably good year from an underwriting standpoint. A rough estimate is that the fire companies are about 5 percent ahead this year in premiums while their loss ratio is better, perhaps even better than the banner year of 1935.

Some of the casualty companies are having their best year in history in respect of premium volume and practically all of them are making good profits in nearly all departments.

Not to Embarrassing Point

The stock market has not declined to anywhere near the point where it is necessary to discuss the solvency of companies nor to suggest that an artificial method of valuation of securities be adopted for 1936. Surpluses are still adequate, if not, indeed handsome. Shareholders of insurance companies may feel gloomy because of the decline in liquidating value and hence market value of their shares. Yet there seems to be no reason why insurance companies should not continue to pay the same dividends to stockholders. Unless the investment income of companies is sharply curtailed by reason of reduced dividends generally, the insurers should continue to receive just about as much revenue as in the past from which to pay dividends to stockholders.

Some of the finest insurance company stocks in the country may now be purchased to yield 5, 6 or 7 percent or even higher, assuming that the dividends are not to be reduced. It may be that directors of insurance companies may decide not to pay extra dividends in view of the reduction in surplus, but the payment of regular dividends should not be disturbed.

Fear Fidelity Losses

Surety executives fear that the stock market crash will produce numerous fidelity bond losses. They go on the theory that a certain number of bonded employees have been using company funds for stock market speculation and that the crash will cause these transactions to be disclosed and losses reported. They feel that such a result is inescapable due to the severity of the crash. They are decidedly apprehensive.

In the last two or three years, many companies have been able to report greater assets on a market value basis than on the so-called convention basis. That was due to the fact so many bonds were selling above par. If the bond list continues to weaken in sympathy with the stock market, that difference may vanish this year.

Registers with SEC

A registration statement has been filed with the Securities & Exchange Commission in Washington by the Casualty & Surety Reinsurance of America, New York, which proposes issuance of \$2,350,000 of \$10 par value common stock to provide capital, surplus and reserves. E. H. Rollins & Sons, New York City, are the underwriters.

GOING UP!

OVER
\$700,000.00
Admitted Assets

Increase in premiums first nine months in 1937—Over 30%

Illinois National Casualty—automobile insurance specialists and a company large enough to completely serve you, and yet small enough to know you. Its agents are furnished the best in equipment and lead as automobile insurance producers in their communities. Their leadership is our growth. Profit by the experience of others.



TERRITORY ILLINOIS INDIANA IOWA OHIO

PERSONALS

W. M. Connor, claims manager of the Buffalo branch of the Hardware Mutual Casualty, won the Edward Roche Hardy prize for 1937, awarded each year by the Insurance Institute of America to "the most distinguished student" of a graduating class. Mr. Connor recently completed the three-year casualty course.

J. H. Coburn, vice-president Travelers Indemnity, will be married Oct. 30 to Mrs. May Evans Gwatin of Richmond, Va., who is with the Richmond local agency, of Tabb, Brockenbrough & Ragland.

W. H. Hansmann, Chicago resident vice-president of Fidelity & Deposit, left Wednesday for the Pacific coast where he will make some visits until a week from Friday when he will sail for Honolulu. He expects to be gone about six weeks altogether. For the past several weeks Mr. Hansmann has been unable to be at his office regularly due to a skin infection. His condition is now greatly improved and the trip is expected to put him in first class condition.

John E. Burke of the firm of John E. Burke & Co., Chicago, well known certified public accountant specializing in insurance accounts, has received his certificate of membership in the Chicago District Golf Association Hole-In-One Club. He accomplished this feat Sept. 9 on the sixth hole, 235 yards, at the Olympia Fields Country Club. He is a member of that club with a five handicap.

Viscount Knollys, managing director of the Employers Liability from the home office in London, was slated to arrive in Seattle this week, where he was to be joined by E. C. Stone, United States manager. He is accompanied by Lady Knollys on his visit to the Pacific Coast.

H. Grady Brooks, who recently joined the Walter F. Smith & Co., agency of Trenton, N. J., was formerly assistant manager of casualty lines for the Travelers in Philadelphia.

F. E. Henry, Ashtabula, O., agent, died at his summer home near that city of a heart disorder. He would have celebrated his 78th birthday Oct. 29. Mr. Henry had been in insurance since 1899, first representing the Merchants &

CHANGES IN CASUALTY FIELD

F. W. Cole Succeeds BroSmith

Hartford Lawyer Is Appointed General Counsel of Travelers Companies—Page Elected Director

Francis W. Cole has been appointed general counsel for the Travelers to succeed the late William BroSmith, who died Oct. 18.

Mr. Cole is a native of Hartford and has been a prominent attorney in the city for 30 years. He was graduated from Yale in 1904 and from Harvard Law School in 1907. He was admitted to the Connecticut bar the same year, became associated with the legal firm of Robinson & Robinson in 1908, and five years later became a member of the firm under its present name. The firm has represented several Hartford insurance companies as general counsel for years. He is a member of both the Connecticut and American Bar Associations and was a member of the Connecticut state bar examining committee from 1918 to 1925.

From 1912-1915 Mr. Cole served the city as councilman, and from 1915-1916 as alderman. He was appointed corporation counsel of Hartford in 1916 and again in 1929. He was a police commissioner from 1924-1927, has been a park commissioner since 1933 and is a member of the Hartford flood commission appointed last year.

Mr. Cole is a director of the Hartford National Bank and Trust Company and Standard Fire of Connecticut which is in the Aetna Life group, a trustee of the Society for Savings, and vice-president of the Hartford Retreat, a hospital for the treatment of neuro-psychiatric cases.

Mr. Cole will continue his connection with Robinson, Robinson & Cole in special matters.

B. A. Page, a veteran accident underwriter, and vice-president of the Travelers, has been elected a director.

Mr. Page has been a vice-president of the Travelers for 25 years and in the service of the company for nearly 50. His first work was as a clerk in the accident ticket department and within six years he became head of the audit department. In 1901 he was appointed assistant secretary of the accident department and three years later secretary. While holding these positions he traveled and became widely known in insurance circles. In 1912 he was made a vice-president and for many years has

WANTED

Wanted young man experienced Surety Fidelity lines for special agency work in Los Angeles. Write fully qualifications and experience. Replies confidential.

ADDRESS G-46, NATIONAL UNDERWRITER

WANTED

An experienced Collection Manager large Casualty and Auto Company. Write complete qualifications and experience. Replies confidential.

ADDRESS G-57, NATIONAL UNDERWRITER

CASUALTY MAN

Responsible married man, age 34, 17 years experience in all casualty lines desires position as underwriter or special agent. Available immediately.

ADDRESS G-58, NATIONAL UNDERWRITER

WANTED

Man or woman by General Agency in Middle Western City. Must be competent to handle office and have knowledge surety and fidelity underwriting. Give details of experience.

ADDRESS G-60, NATIONAL UNDERWRITER

had charge of the accident and the group business.

G. W. Baker, treasurer of the Travelers companies, has been elected a director of the Connecticut River Banking Company, an affiliate of the Travelers.

C. D. Rarey, comptroller of the Travelers, has been elected a director of the Travelers Bank & Trust Company.

Jack Johnson Joins New Highway Mutual Casualty

The new Highway Mutual Casualty has appointed Jack Johnson underwriting and production manager. For the present he will be located in the service office in the Insurance Exchange, Chicago. Mr. Johnson has a background of underwriting, field and agency work, having been chief compensation and liability underwriter for Continental Casualty and also in the field for that company, automobile underwriter for Export Insurance and in the field for Integrity Mutual. For the past three years he has been with the W. W. Heise agency in Chicago. Highway Mutual will write full cover automobile and compensation lines.

Owsley with Texas Company

Sharman Owsley, an experienced casualty and fire man, who has lately been connected with the Blakeney agency of Oklahoma City, has joined the Commercial Standard as special agent in Illinois and Indiana. He served as special agent for National Liberty about five years, then continued with the Home in Texas as special agent. He resigned to join his father in the local agency business in Ada, Okla., and later went with the Blakeney agency.

White Named Engineer

James S. White has been appointed engineer of the Fireman's Fund Indemnity at Chicago by Manager John Pabst of the midwest division branch office. Mr. White takes charge of the engineering and inspection department of the division. He has been connected with the Hartford Accident in Chicago for nine years as an engineer.

Berlin with Citizens Casualty

NEW YORK.—J. J. Berlin, newly appointed superintendent of agencies in New York State of the Citizens Casualty, of this city, was previously vice-president and agency superintendent of the Manhattan Mutual Automobile Casualty. He will make headquarters at the company's chief office in this city.

Palmer with Boston Agency

J. G. Palmer, formerly of London, England, son of Sidney H. Palmer, United States manager of the Employers Liability, has joined the reinsurance department of the Fairfield & Ellis agency in Boston. He has had several years insurance experience in London with the Sun Insurance Office and some experience in the Employers Liability branch in Boston.

C. S. Lumbley Transferred

C. S. Lumbley has been transferred from the Memphis office of the U. S. F. & G. to San Antonio, Tex., as district supervisor for southwest Texas.

Rider Moves to Chicago

N. W. Rider, attorney, supervising claims in Iowa, Wisconsin, Illinois and Minnesota out of the Ohio Casualty home office, has been transferred to Chicago in the same capacity so as to be centrally located for his work. A new office was opened for Mr. Rider adjoin-

ing the Chicago branch under Manager Byron Sommers in the Insurance Exchange. The branch claim department will operate as heretofore, Mr. Rider's duties having no direct connection with it. The change results in enlargement of the branch quarters.

Welsh with Ohio Casualty

Paul K. Welsh has been appointed special agent in Indiana for the Ohio Casualty. He will be associated with James E. Curtis, state agent, and will make his headquarters at the Indianapolis office. Before going with the Ohio Casualty Mr. Welsh was special agent in Indiana for the Fidelity & Casualty.

Indiana Seeking a Reduction

President State Bankers Association Says Burglary Rates Should Be Lessened Due to Improvements

In view of the improved burglary and robbery experience of Indiana banks since last January the financial institutions of the state, in the opinion of F. W. Van Antwerp, president of the Indiana Bankers Association, should be granted a reduction in burglary rates, beyond the 20 percent reduction allowed

by the carriers some months ago. The bankers, Mr. Van Antwerp stated, spent considerable money to install the police radio system in the state, which materially aided in checking robberies with respect to fidelity bonds carried by member associations. President Van Antwerp asserted, "We have more safeguards, such as added supervision, better internal auditing on the part of banks and a lower loss ratio in fidelity defalcations, which should give us a lower rate for fidelity protection."

Named Vice-presidents

W. S. Paine of Hartford, manager of the engineering and inspection department of the Aetna Life, has been named vice-president of the National Safety Council for engineering. A. W. Whitney of New York City, consulting director of the National Conservation Bureau, becomes vice-president for education.

A. J. Luck to Grand Rapids

Andrew J. Luck will soon be established in the service office, 406 Peoples National Bank building, Grand Rapids, Mich., for the Fidelity and Casualty. He has had 14 years brokerage and company experience with a brokerage concern in New York and the metropolitan office of F. & C.

Adequate Facilities . . .

There are definite limits on the profits which an agency can make unless it represents an established stock company which offers facilities for the writing of multiple lines.

Pennsylvania's oldest Multiple Line Casualty Company offers full facilities with modern policy contracts.

LIABILITY	PROPERTY	BURGLARY
Auto	DAMAGE	Residence
Garage	Auto	Storekeepers
Owners	Garage	Mercantile Safe
Landlords	Owners	Payroll &
Tenants	Landlords	Messenger
Elevator	Tenants	Mercantile
Products	Elevator	Open Stock
Theatre	Theatre	Bankers'
Manufacturers	Products	Burg. & Robbery
Residence	Manufacturers	ACCIDENT
Employers	Contractors	& HEALTH
Contractors	Residence	Monthly
Sports	Sports	Commercial
Golf	Golf	Automobile
Teams	Teams	Accident
Contingent	Contingent	Non-Occupational
		Accident
WORKMEN'S COMPENSATION	PLATE GLASS	MISCELLANEOUS
	Full Coverage	Auto Collision
	50-50 Retention	Auto Towing
	Carrara and Vitrolite	Elevator Collision

Agency franchises are available in parts of Alabama, Delaware, Georgia, Kentucky, Illinois, Indiana, Iowa, Maryland, Nebraska, New Jersey, Ohio, Pennsylvania, Tennessee and West Virginia.



RE-DEDICATION*

The half-century record of the Provident has been so characterized by justice and fairness, the protection afforded so ample and the benefits so liberal, that we who have served it, and through it the public, are proud of this record, rejoice in its success and look to its future with confidence.

RESOLVED, that we of the Provident family who have heretofore contributed to the growth of this great institution, standing here today where a past half-century of fine achievements meets a future bright with promise, joyfully celebrate this Golden Jubilee, salute the future and declare our purpose to press forward in the up-building of the Provident and the spreading of its benefits,—and to this end we now and here pledge ourselves and re-dedicate our lives.

*Resolution adopted by enthusiastic unanimous vote September 15 at the Golden Jubilee Convention of the

PROVIDENT LIFE and ACCIDENT INSURANCE COMPANY
CHATTANOOGA • TENNESSEE

BITUMINOUS CASUALTY CORPORATION

H. H. CLEAVELAND
President and
Chairman of the Board



R. D. COBURN
Executive Vice-President

J. E. ROLLINS
Vice-President

SINCE JULY 1, 1917, THIS ORGANIZATION HAS SPECIALIZED
IN THE WRITING OF WORKMEN'S COMPENSATION
INSURANCE

Public Liability and Property Damage
(Other than Automobile) Coverages
Are also Written

INQUIRIES ADDRESSED TO OUR NEAREST GENERAL AGENT
OR BRANCH OFFICE, ARE INVITED

Charles G. Baeder.....	Insurance Exchange Bldg.....	Chicago, Illinois
W. A. Schickendantz.....	10-A W. Washington.....	Bellefonte, Ill.
V. C. McDonald.....	Heyburn Bldg.....	Louisville, Ky.
Wm. F. Rollins.....	130 E. Washington Bldg.....	Indianapolis, Ind.
J. Carr.....	Insurance Exchange.....	Des Moines, Ia.
C. F. Crist & Co., Inc.....	114 W. 10th St.....	Kansas City, Mo.
Walsh Insurance Agency.....	Webb-Crawford Bldg.....	Birmingham, Ala.
Hicks-Brady Company.....	Harry Nichol Bldg.....	Nashville, Tenn.
R. A. Heese.....	721 Pierce Bldg.....	St. Louis, Mo.
T. H. Meesner, Inc.....	210 So. 19th St.....	Omaha, Nebraska
J. Austin Dilbeck Ins. Agency.....	Trust Company of Georgia Bldg. Atlanta, Ga.	

HOME OFFICE, CLEAVELAND BUILDING, ROCK ISLAND, ILLINOIS

Drop Fight Over Bay State 1937 Rates

(CONTINUED FROM PAGE 23)

"The companies' failure to contest further the promulgation for the year 1937 of the rates at which policies are written for the year 1937 should not be construed to be an abandonment of principles, which they hold to be fundamental, or in prejudice of their future rights. On the other hand this action should not be construed as an abandonment by the commissioner of his principles.

"Both parties have agreed that the public good will be best served by immediate promulgation of the schedule of rates upon which the policies for 1937 have been actually written."

As a practical matter, the companies would be unable to collect from policyholders an extra amount on account of policies issued and paid for in 1937, should the case be litigated further and a final decision rendered establishing a higher rate scale.

Casualty Agents Pray for Conference Procedure

(CONTINUED FROM PAGE 23)

agents in giving their committee full authority to act on behalf of the association and the producers hope that the companies will take similar action.

There has been considerable discussion of the retrospective rating plan and before adjourning their meeting the agents adopted this resolution:

"Resolved: That this association solicit, through its secretary, information from its members concerning the number of risks (segregated as to new and renewal) which have been sold insurance on the retrospective rating plan; that he procure information on the number of risks to which the plan has been submitted and the number which have been lost to mutuals or non-insurance plans after considering retrospective rating.

"Resolved, further that we request, through our conference committee, complete information from the bureaus to which such information is reported, data as to the number of risks in non-stock carriers rated on the retrospective plan.

Want Other Surveys

"That we ask the National Association of Insurance Brokers and National Association of Insurance Agents to circulate their memberships soliciting similar information all to the end that we may appraise the value of the plan to the agents and the insuring public."

James M. Haines, U. S. manager London Guarantee, was named president of the International Association of Casualty & Surety Underwriters; John A. Diemand, executive vice-president, Indemnity of North America, its vice-president and F. Robertson Jones secretary-treasurer. There was a deviation from the contemplated slate of the executive committee in that C. B. Morcom, vice-president Aetna Casualty, is chairman. The other members are Wallace Falvey, vice-president Massachusetts Bonding; Henry Collins, U. S. manager Ocean Accident; Norman Moray, president U. S. Casualty, and W. G. Curtis, president National Casualty. Following Secretary Jones' report and the routine program of the business meeting, a resolution was adopted thanking the officers, committees and guests who contributed to the success of the convention.

W. D. O'Gorman, the new vice-president of the National Association of Casualty & Surety Agents, is the main factor in the long established Newark agency of O'Gorman & Young. His father was one of the founders of that office and the son has been associated with the firm since 1918.

In addition to 20 fire companies the agency has represented Hartford Acci-

dent ever since the company was launched in 1913.

Following graduation from the Stevens Institute of Technology and from Harvard University Mr. O'Gorman spent some five years in the employ of the Carpenter Steel Co., Reading, Pa., of which he is now a director. He is also a director of the Thatcher Furnace Co. After serving in the war he entered the insurance business.

"Merchandising" Program for Agents Is Outlined

(CONTINUED FROM PAGE 26)

loss to deal successfully with "price" competition, likewise have attempted to handle different grades of "merchandise" and allow the purchaser to take his choice. Mr. Dean analyzed this situation to determine whether or not such a policy can be justified. He said that an agent's principal stock in trade consists of protection against and service in the event of some future contingency and that in most cases he is the sole judge of the quality of that protection and service. The merchant's customers buy different quality merchandise for different purposes. The clients of an insurance agent buy insurance according to their needs, but with the expectation that any loss will be promptly and satisfactorily paid 100 cents on the dollar. Certainly no compromise in quality anywhere along the line can be tolerated, he declared.

Should Represent Value

Price, Mr. Dean said, is only one of the important factors entering into the sale of anything. It should mean more than mere "cost," and should represent the value to the purchaser of the commodity or service purchased. The buyer must be convinced "that your contract, with your company and your agency back of it, offers him more for his money of the things he should demand than the other fellow's does." He then outlined the coverage which a standard company can offer on an automobile, for example, and the advantages of having such protection.

"The mere fact that some one else offers what he represents to be similar coverage for less in no way affects the value of yours," Mr. Dean continued. "There are only 100 cents in a dollar, premiums must be adequate to cover losses and expenses, the underwriting profit contemplated in the rate makeup is extremely small (and most often not realized) and any deviation from the rate which experience of conference companies has found necessary must contemplate or involve a sacrifice of one or more factors which we and you consider necessary to an adequate protection of the policyholder's interest.

Offering "Choice" of Coverage

"You must be able to justify your 'price' if necessary (never in an apologetic manner) but much of the discussion of that phase of the business can be obviated by your mental attitude and through a program of education among your policyholders and prospects, to the end that they will properly appreciate and evaluate those factors mentioned which do not go hand in hand with a policy featuring 'price' as its greatest or only appeal."

Taking up the case of the agent who offers his price-conscious client a choice of coverage in a first class company at conference rates or presumably the same coverage in some non-board company (possibly one which he doesn't recommend) at 10, 20 or 30 percent less, Mr. Dean asked: "How can he justify offering two policies purporting to provide the same protection (they may read identically alike) on the same exposure at different premiums? Or how can he justify writing my policy at conference rates and my neighbor's or friend's for 30 percent less? We both think we are buying absolute protection. Obviously one of us is being gypped."

He emphasized the necessity for

"planned protection" through a complete survey of a client's insurance requirements, as against "policy peddling." He summarized the necessary factors in bringing about that result as follows:

(1) Earnestly endeavor to know my business (better than my competitor's), taking advantage of a few good periodicals such as the "Casualty Insuror" and reference works such as the F. C. & S. Bulletins.

2. Have a "merchandise" policy which would assure my clients at all times of the best the market affords (with the knowledge that my competitors can offer nothing better).

3. Have a "merchandising" policy which with my knowledge of the business would assure each client the best available combination of contracts to fit his particular requirements at the lowest cost commensurate with sound protection.

4. Have such company representation as, together with my own organization, would contribute most effectively to the widest possible sale or "distribution" of such a program.

5. Make a thorough going analysis at least once a year of my entire situation and methods of operation as "an independent retailer."

Fidelity Sales Rally in Cleveland

(CONTINUED FROM PAGE 26)

Whoever absconds but the trusted employees? The more money a person handles, the bigger the temptation.

"Get all the information you can about your prospect. Then approach him with an intelligent interpretation of the coverage he needs. Explain your proposition and outline it in writing. Most people buy because they want to buy. Persuade but don't argue. You probably won't sell the full amount that he needs. That is one of the shortcomings of the business. Always keep your eye on the interests of the prospect and not the commission you are working for. The commission will take care of itself.

"Most men have their weaknesses and embezzling is common today. Whether the employees are trusted or not, the human being is none-the-less unpredictable. No one can guarantee the honesty of any man and employers cannot afford to take a chance.

Expose Self to Business

"If you would be successful, expose yourself to the business and study it. New fidelity fields are springing up, the latest being aviation, television and air conditioning. And, don't be afraid to approach your own clients who have purchased other insurance. If they suffer a fidelity loss, it may mean the loss of the other lines to you."

F. I. Robertson, vice-president Cleveland Trust Company, spoke from the standpoint of a banker and buyer of fidelity bonds. Bank defalcations, he said, are comparatively rare but in spite of the precautions taken, embezzlements do occur. Today all state and federal banks are required to give a full report of their fidelity bonds in each examination. He suggested that more importance should be attached to fidelity bonds by other commercial and industrial concerns.

Mr. Robertson criticised the manner in which some agents and companies conduct their business. Surety bonds, he said, do not always give the protection the salesman claims. Too often the companies force their clients to take their claims to court rather than paying promptly. One bank, he said, made the report that it had never collected on a fidelity bond except through the courts. The speaker voiced the opinion, surety companies could do more good by being prompt and liberal on their claims without court action.

He stated that banks would not admit

making bad loans and the credit standing of borrowers was well checked. However, bank loan officers would feel better about their loans if they knew the client was protected by fidelity bonds.

L. B. Fowler, field supervisor Aetna Casualty, spoke on behalf of the home office executive. His address is reported elsewhere.

St. Paul-Mercury Indemnity Coast Underwriter Killed in Air Crash

Curtis L. Jensen of the St. Paul-Mercury Indemnity at San Francisco was one of the victims in the United Air liner crash in Utah. He was an underwriter for the company at its Pacific Coast office. He was 27 years old and a graduate of the University of Minnesota.

He had been with the company only since April 1 and as far as known this was his first connection with an insurance company. He formerly lived in St. Paul. He moved west on account of his health but last week returned to St. Paul on private business connected with his mother's estate. It was while returning to San Francisco on the air liner that he met death. At the home office of the company little was known of Mr. Jensen as he never had been employed there.

K.C.-St. Louis Surety Party

Kansas City surety company men were entertained Oct. 19 by St. Louis surety men. This is a return engagement of the semi-annual get-together instituted last spring when Kansas City managers entertained the St. Louisans.

Read "Casualty and Surety" Coverages by W. H. Bates, \$1.50. Order from National Underwriter.

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Company Support in Appointments Asked by Agents

(CONTINUED FROM PAGE 20)

ment for recodification of insurance laws and to introduce new laws which will properly regulate all insurance.

Full endorsement of the cooperative attitude of the Oklahoma agents was given on behalf of the field men by T. Ray Phillips, state agent America Fore and chairman fire companies conference committee. He referred to the fact that at the Dallas meeting of the National Association of Insurance Agents, W. H. Bennett, general counsel, talked on "collective bargaining" between companies and the agents.

"I dare say that if the National association had adopted the same attitude toward the companies that your association has to its field men in Oklahoma," Mr. Phillips said, "no such thought of 'collective bargaining' would have occurred to Mr. Bennett."

"You are not laborers who must have some one to think for you and act for you—you are men and women of intelligence, of education, of action, and you can do your own thinking and acting. You need no one to bargain for you. You are a successful business

man, dealing with successful business men, and we in Oklahoma are all working for one another toward the same goal—that which is good for one is good for the other."

Some represent non-affiliated stock companies, Mr. Phillips said. "I know one of your principles is to not distinguish between companies so long as they are capital stock," he said, "but the fact remains that certain companies, even though organized on the capital stock principle, do not affiliate with any organization. Isn't this indicative that they are not in sympathy with organizations such as yours? Are you fully supporting the principles of your association when you give aid and succor to those who are opposed to organization principles?"

Value of Coextensive Exchange

Clifford Wetzel of Ponca City was chosen to present the value of coextensive exchange towns because his city was one of the first in Oklahoma to incorporate the National association principle of coextensive membership, implying membership in the local exchange, state association and the National association by every member, and to apply, after a fashion, the "in or out" rule.

He referred to the conference agreement with the companies, which states that when questions arise as to the eligibility of an agency appointment, the views of the local board or exchange shall govern and declared that, due to the failure to establish strong local organizations, "all of the evils of part-time, irresponsible agency appointments from which we have suffered are entirely the fault of local agents who neglected to use the facilities their companies placed at their command."

Solely an Agency Duty

He also referred to the resolution adopted by the National association at the Dallas convention, emphasizing the importance of local boards using every legal and proper means to maintain their rules.

"It is not the duty of the state association, or the government, of the National association, nor of the companies to keep our house clean," he declared. "It is solely an agency duty, imposed on every ethical agent who holds a license to sell insurance."

Mr. Wetzel also listed valuable by-products of a coextensive exchange town, including the creation of good will among agents, eliminating competitive misunderstanding, creating public respect and establishing security for agency expirations.

Big K. C. Bond Meeting

KANSAS CITY—At the big meeting of the fidelity bond production campaign Nov. 2, company men, agents and brokers of greater Kansas City will meet to discuss the promotion. There will be a talk by an insurance buyer and an agent, who have not yet been announced, and by a company man, L.

B. Fowler, field supervisor Aetna Casualty for fidelity and surety business. The meeting will start with a luncheon and will run through the afternoon, with L. L. Bebout, U. S. F. & G., president Casualty & Surety Underwriters Association of Greater Kansas City, presiding. W. R. Evans, American Surety, is chairman of the speakers' committee.

Merritt Is Detroit Speaker

DETROIT—Four elements, properly balanced, determine the success or failure of the insurance salesman, F. L. Merritt, manager of agencies Monarch Life, told the Detroit Accident & Health Association, speaking on "Building Men." He was introduced by A. A. Maier, Monarch general agent in Detroit. E. B. Brink, state agent Mutual Benefit Health & Accident, presided.

The first point to consider, Mr. Merritt said, is the quantity of people the agent sees in his selling efforts; second, the quality of these people; third, the quality of the agent's salesmanship and fourth, his enthusiasm for his job. If the first three are successfully accounted for, the fourth will follow automatically, he declared.

Bridges Addresses Adjusters

C. D. Bridges, safety director Casually Mutual of Chicago, addressed the Casualty Adjusters Association in his city at a dinner meeting Wednesday.

O'Malley Ousted As Superintendent

(CONTINUED FROM PAGE 4)

It is understood that some of Stark's erstwhile supporters would now like to get him out of the way in Missouri by having him appointed secretary of the navy.

Mr. O'Malley has been a colorful figure. Quick on the trigger and a picturesque hater, he has gone into action on many fronts.

When Mr. O'Malley Tuesday was advised by Floyd C. Jacobs, special counsel for the department in the rate litigation that he had a stipulation to be signed by O'Malley requesting the dropping of the rate case compromise in the Missouri supreme court proceedings to come up Nov. 2, the superintendent wired Jacobs for a legal opinion as to O'Malley's rights to sign such a stipulation when he had been a party to and signer of the compromise agreement. It is believed that when the governor learned of O'Malley's wire, Stark decided to appoint Robertson as his successor at once.

The appointment of Mr. Robertson came the day after Gov. Stark told the press he would not remove Mr. O'Malley because of personalities in connection with the rate litigation. Mr. Robertson served as deputy superintendent from 1933 until Sept. 19, 1936. Mr. Robertson's comment at that time was: "There is apparently a difference in policy between O'Malley and myself in this department."

For several years Mr. Robertson was in the insurance business at Marshall and out of Kansas City. In recent months he has been a director of a bank in Columbia.

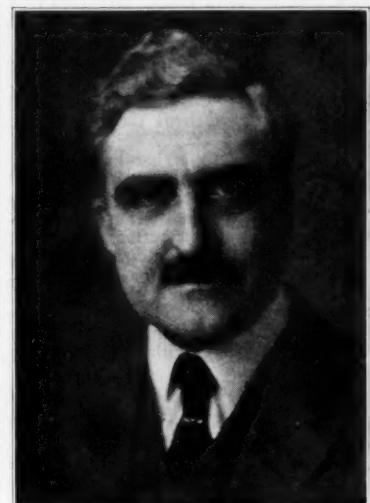
Michael Southern Manager of Fireman's Fund Group

(CONTINUED FROM PAGE 4)

each, first under the late Edgar S. Wilson at Macon in the 1890s and later under Managers E. T. Gentry and C. A. Bickerstaff in Atlanta.

Mr. Michael, who is a native of Monroe, Ga., joined the Fireman's Fund in 1911 as bookkeeper when its southern headquarters were in Macon, Ga. Following the transfer of the department to Atlanta in 1914, he entered the underwriting department at his own request at a much lower salary. He made rapid

Second Forty Years



IRVING WILLIAMS, Indianapolis

Irving Williams, well known editor of "Rough Notes," is entering on his second 40 years of service with that eminent publication. He was hired by the late Dr. H. C. Martin, its publisher, and started to work one Saturday noon. He had finished his sophomore year in college and was induced by Dr. Martin to take a position with "Rough Notes." "Rough Notes" is one of the most useful educational insurance publications in the country. Irving Williams is one of Indiana's most outstanding citizens.

progress in this capacity and soon had a broad understanding of the business developed by working in practically every position in the office. Later he was appointed special agent and for several years traveled Georgia, Florida and Louisiana. In 1926 he was called back to Atlanta to become agency superintendent. In 1929 he was appointed assistant manager under Mr. Bickerstaff.

Mr. Michael, who was admitted to the Georgia bar in 1936, served several terms as president of the Insurance Library Association of Atlanta and has been active in educational movements.

Northwest Body May Be Revived

(CONTINUED FROM PAGE 4)

mer assistant manager North America, who confessed that he had served as president of the society even before he was eligible. W. C. Leach, Minneapolis Fire & Marine, welcomed the associate members, those who have been in the association 20 years. J. R. Cashel, manager Providence Washington, responded for the associates. President Townley resurrected the old gavel that was presented many years ago by the late H. C. Stuart to the Missouri Fire Underwriters Association and later came into possession of the Northwest association.

C. R. Street, western manager Great American, was present as a guest, stating that he hoped that there would be a renaissance of the Northwest association. This, he said, should be made along educational lines. Mr. Street decried any statement that the field men of today are stripped of constructive duties. He said there is greater need for alert, intelligent field workers than ever before.

Question—What significance does the word HANC have in the surety business?

Answer—This is a form of blanket bond that London Lloyds issues. We understand that it got its title from the London underwriter who originated the form, he being H. A. Nichols.

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Harrington Comments on Some Selling Points

W. E. Harrington of Atlanta, former president National Association of Insurance Agents, acted as commentator at the insurance merchandising session during the Dallas National association convention after the speakers had delivered their addresses. He sized up the highlights and main points. Mr. Harrington said:

I was particularly impressed with one thing H. C. Conick, assistant U. S. manager Royal-L. & L & G., said, and that was he emphasized the value of surveys and the necessity of surveys to the small town agent. As this business is developing we are finding the brokers in the larger cities moving into the towns below their size, and in turn agents in towns of 300,000 and 400,000 soliciting business in towns with smaller populations. That makes it all the more important that those of us from the medium-sized and smaller communities be sure that our house is in order and that we will not be the victims of competition due to our own inefficiency.

Difference in Planned Production

He also said that the difference between the successful and the unsuccessful agent is planned production. I agree with him on that. He also emphasized the fact that this survey plan must be continuous, that is, that we cannot merely make a survey today and go off and forget it, because as events transpire from day to day it is necessary to keep it up to date. It is well that we bear that in mind.

He also emphasized the importance of tying in with our production activities, office efficiency—that the two should be correlated. I am glad he brought that out because I think it is of great importance. He struck me between the eyes because I learned the hard way in over-looking the opportunity for the personal accounts, in the handling of the industrial accounts. I wonder if we really appreciate the opportunity that we have to get the contact with the personal account where we do handle the commercial account. That is the opportunity that other agents do not have, and I think it is one that might well be emphasized.

Company Advertising

Failure to use company advertising was also pointed out. I think the shelves of all of us are more or less cluttered up with expensive advertising to which thought has been given. I think we may well go home, get some of that advertising off the shelf, place it on our desks and find an effective way to use it. I think if, as this advertising is sent out, the company advertising departments would give some definite and constructive plan for the use of it, it would be helpful, bearing in mind that we are not advertising men, and some definite, practical, concrete suggestion for the proper use of the advertising material would be helpful to all agents.

Surveys Again Stressed

E. R. Ledbetter, Oklahoma City, again picked up the theme of the necessity and desirability of surveys; he emphasized the effectiveness of planned methods. Unless my memory fails me, it has not been so many conventions back when some speaker first brought

to us the question of surveying insurance. This is a new thing and its effectiveness has been demonstrated by the fact that here we find a whole convention session given over to this one subject, again proving that this is the proper approach to a good volume of production.

Possibility of customers' lists: I wonder how many of you fellows have in your office files a customers' list which is designed to be used solely for production purposes. You fellows that have lists properly compiled as a basis for the solicitation of other lines from your customers—hold up your hands, let's see how many of us have it. I would say that the showing of hands reveals it is about 4 percent. The rest of us should take that home with us.

Utilizing Customer's Time

He also emphasized the importance of utilizing the customer's time to the best advantage. I think we should all have that in mind; we do spend too much time visiting, and after all that man's time is worth something, not to mention the fact that ours is. Let's spend more time really discussing what we are there for, rather than talking about the baby's milk, or something like that.

He also emphasized another point: that is the importance of cultivating the men below the man that you are now dealing with. Those of us who are getting older in this business have seen the men with whom we have contact passing out of the picture and some younger fellow coming along who has been sitting at an adjoining desk, with whom we haven't even taken the trouble to shake hands when going in and out of the office. The first thing we know, he is in that job and we have lost the opportunity to have established with him a contact which would assure the continuance of the business with us after he steps into the higher job. That is important.

Contacting Public Accountants

He mentioned the question of cultivating and contacting public accountants. That particularly impressed me, because only recently I was requested to address a meeting of public accountants on the subject of insurance, and I was utterly amazed at the conclusion of my paper at the questions that were asked me by these men. They were not, of course, versed in insurance, they were anxious to know more about it in order that they might impart that information to their clients, and I don't believe that two weeks (to be conservative) have passed since that time, when some public accountant has not called me up and asked for some information on some problem of insurance for a client whose accounts he was auditing. That is a contact that is well worth while.

Proper Preparation

Mr. Ledbetter also stressed the importance of the necessity of proper preparation before the approach. I think that is a most important thing to bear in mind. If the customer is of sufficient importance or the account is of sufficient importance to warrant the taking of the customer's and your time, then it is of sufficient importance to take enough additional time so that when you go in there you know what it is

all about. Go in there and evidence some knowledge of that man's business, and he knows that you have given some thought to it and will warrant the attention which you are asking him to give you.

Here is a point that I think is a knock-out: I don't know whether I have quoted him exactly or not, but I think I have the gist of it: He said this: after an agent has sold an assured on his knowledge and the value of his service, he has largely solved the problem of mutual competition. I agree with that 100 percent.

Approach Has Been Haywire

I have the feeling that our approach to mutual competition has all been haywire, through the years. We have tackled it from the standpoint of financial stability, assessments, things of that sort, all of which should be pointed out to the assured, but after all, if we are going to be honest with ourselves and honest with our business, we must recognize that the difference in cost is very largely represented by the service of the agent, and if that service isn't worth the difference in cost to the assured, then I say that we have no right to expect his business. My approach to mutual competition has always been: yes, our cost is greater; it represents very largely what you are paying me; if you know as much about the insurance business as I do after having been in it 25 years, know how to analyze your requirements, write your contracts, fit the insurance to your particular problem, you don't need me—that is provided you have the time to do the job, if you have the knowledge, but I think that it is worth your money to pay me for that service (and if you have been doing the job on the accounts you are handling,

that argument will click; if you have not, it does not deserve to). If it is an account that you are after, if you have this knowledge then you will be able to convince your assured that it is worth his money to avail himself of your service.

Three Year Premium Program

He emphasized the value of setting up a three-year premium program, a very effective plan which I am sure has been used. He also emphasized, and I want particularly to emphasize this—the danger of a haphazard survey; you can do your business more harm, and do the insurance business more harm, incidentally, by attempting to qualify as an expert, and then doing a haphazard job, which will later show up in not having proper coverage, or not having proper recommendations than any other way that I know. Don't attempt this job unless you are willing to spend sufficient time and application of thought really to do a fine job and one worthy of a good agent.

Another point that I think he made is a good sales argument. I headed it here on my notes as he was talking, "Interest-creating questions," how to get the interest of a prospect. I have found as "Red" has found, that perhaps the best way to get that interest, is to ask the prospect if such and such a condition is covered. Our office has a list of questions which we furnish each of our salesmen, and before he approaches a prospect he is supposed to pick out the questions that he wants to ask. You will find nine times out of ten he will say: I really don't know—that is if it is an unusual situation, and then of course from that point on you should be able to control the situation. That is just a little sales psychology.

Cincinnati Agents Get Hints on Fidelity Production

Ohio agents are receiving many helpful suggestions in the sale of fidelity bonds through the October production campaign sponsored by the Ohio Association of Casualty & Surety Managers in which 23 bonding companies are participating. Over 200 attended the Cincinnati meeting which is one of four such gatherings.

E. A. Russell, Employer Liability, Cincinnati, speaking for the agent, estimated dishonesty losses at about \$200,000,000 annually. Many employers carry no fidelity coverage or bond, only those employees whom they think will be in a position to take money. The agent's duty is to make the employer appreciate every possible hazard and all employees should be bonded where the slightest potential hazard is involved.

Embezzlement, larceny, and theft are all terms defined by statute, but Mr. Russell said that after a 15-year search, he had not yet found a satisfactory definition of dishonesty. In selling fidelity, the agent must know the precise coverage given by the insuring clause and the interpretation placed on it by the home office. It is the duty of the agent to see that all elements of the hazard are taken care of and he should be prepared to fight for the assured, if necessary.

The home office should not assume that the employer is trying to put something over, Mr. Russell declared, for if his integrity were questionable, he would not be on the books. No company, Mr. Russell said, is any stronger than its agent.

Insurance is largely responsible for the unprecedented growth of American business through spreading of the risks, said A. L. Moler, assistant vice-president and credit manager Fifth-Third Union Trust Company, Cincinnati, speaking for the insurance buyer. The principles and practices of insurance are taken for granted in the business and economic life of the nation, Mr. Moler said. However, many concerns are running risks which they cannot afford to run. Good banks need the fullest available coverage such as that given by the bankers' blanket bond. He expressed surprise at the number of firms not covered by fidelity bonds on employees. It is axiomatic among members of the National Association of Credit Men that every employee in a position of responsibility should be covered by a fidelity bond.

Prospects for fidelity bonds may be divided into three classes: Those who have none of their employees bonded, those who have a few bonded, and those who have inadequate coverage. The additional premium required for adequate coverage rather than nominal coverage is very little.

A concern without fidelity coverage is self-insuring a moral risk in a type of hazard that no concern can afford to take. A fire insurance risk is localized, but dishonesty insurance has no localization.

An agent should convince the prospect that he be permitted to diagnose
(CONTINUED ON PAGE 42)

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 Branch Manager

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Asks State Official's Policy

Toledo Agents Seek to Have Definite Course Outlined by the Registrar of Motor Vehicles

There is considerable interest in the action of the Toledo Association of Insurance Agents adopting a resolution asking Frank West, state registrar of motor vehicles, for a statement of his policy in administering the motorists' financial responsibility law, which followed severe criticism of the measure by Capt. Jack Irwin of the Toledo police traffic department. Captain Irwin declared that the law permits a person whose driving license has been revoked for a year by a police court judge to be relicensed within 30 days if he purchased personal liability insurance. He understands that a certificate of proof of financial responsibility either a bond, backed by property or surety company or a liability insurance policy is sufficient to restore the driving privilege to anyone who has been convicted and deprived of his license. However, he states that anyone who has been deprived of his license under the law must pay a higher premium for his insurance. The act provides that a 50 percent penalty on the one-year policy following the violation shall be charged. Some insurance men wonder whether certain insurance agents or companies are profiting by the law.

H. S. Martin, president Ohio Association of Insurance Agents, who resides at Toledo, declared that unless the administration of the law is straightened out the state is nearer compulsory automobile insurance.

Illinois Program Shaping

Bennett, Palmer, Dauwalter, Falls Slated to Address Annual Meeting in Rockford Nov. 17-18

Announcement is made this week of the tentative program for the annual meeting of the Illinois Association of Insurance Agents in Rockford, Nov. 17-18. This is the first time that the meeting is being stretched over two days.

The morning of the first day there will be two conferences conducted simultaneously. One will be concerned with local board matters and all members and officers of local boards are invited. J. J. Beattie of Rockford, chairman of the local board committee, will preside. The other will be a conference under the auspices of the farm committee, Mark I. Hall of Belvidere, chairman, presiding. All agents interested in farm business whether members of the association or not, are invited.

The afternoon session is scheduled to get under way at 1:30 with W. Herbert Stewart of Chicago, the president, in the chair. Robe Bird, western manager of the American in Rockford, will give the address of welcome and the response will be by Alvin S. Keys of Springfield, chairman of the board. The nominating and resolutions committees will be appointed and President Stewart will give his address. F. S. Dauwalter, director Business Development Office, will give an address and there will probably be another speaker at the afternoon session.

Jeremiah McQuade of Peoria will be toastmaster at the banquet that evening. Walter H. Bennett, secretary National Association of Insurance Agents, and Insurance Director Palmer of Illinois

will speak. There may be a third speaker.

The morning of the second day the meeting will be closed except to member agents. The various committees will report, officers will be elected and Laurence Falls, vice-president of the American, will give an address on "Public Business." Mr. Falls is credited with having been responsible for working out the highly satisfactory plan in New Jersey for handling the insurance on properties under the control of failed banks and building and loan association. It may be that Mr. Falls' appearance in Rockford will stimulate the idea of setting up such a plan in Illinois.

A final convention feature will be a luncheon, to which all agents are invited, Mr. Bird being the host.

The Rockford agents are urging those who intend to attend the convention to make their hotel reservations immediately. The Faust Hotel, which is to be the headquarters, is rapidly filling and it is likely that a good many will have to get accommodations at the Nelson.

Quincy Board Annual Outing

Names of Those Who Were Awarded Prizes at the Golf Tournament Last Week

The outing of the Quincy, Ill., Board was dampened somewhat last week when C. G. Wonn, Northern Assurance, suffered an acute kidney attack, was taken to St. Mary's Hospital and died Saturday. However, while the outing was in progress it was thought that Mr. Wonn was recovering in good shape. He was awarded a special prize as a non-golfer. The outing was a complete success in every way and great credit was due to the Quincy agents for their entertainment.

The field men called on the agents Wednesday morning and then went to the Quincy Country Club where some played golf. There was a buffet luncheon served and in the afternoon the local agents and field men engaged in golf and played bridge. A chicken dinner was served in the evening. Golf prizes were presented. J. K. Monroe, Union Auto of Indiana, won low gross with 82. N. M. Winters, of Quincy, won the blind bogey. J. K. Walker, Commercial Union, got the low net handicap. Earl S. Miller, Illinois Audit Bureau; R. H. Gregg, Crum & Forster, and R. E. Hall, Ocean Accident, tied for the greatest number of threes. J. V. Rice, Employers Liability, shot seven sixes. L. Hawley, Home of New York, had the greatest number of fours. E. A. Schumacher, Union Auto, had the greatest number of fives. C. F. Daniels, Eagle Star, had high gross. Then prizes were awarded to those who did not play golf, they being G. R. Dillman, America Fore; C. G. Wonn, Northern Assurance; Harry Hafer, John N. Miller, Providence Washington; R. D. Wiley, Atlas; H. C. Edmundson, America Fore; S. S. Leseth, Glens Falls; and A. R. Marks, Great American.

Responsibility on Companies for "One-Case" Agents

LINCOLN, NEB.—Because of numerous complaints that agents are violating the anti-rebating law by securing licenses to write their own coverage or that of employers or employees, Insurance Director Smrha is notifying all companies that they will hereafter be

held responsible if they requisition licenses for agents who are not entitled to them, as evidenced by subsequent developments, or continue in service agents thus violating the law.

Mr. Smrha says the department is without means to make investigation to determine applicants' eligibility prior to the issuance of permits, and he is, therefore, making it the responsibility of the company.

Inspect Rural Electrification

ST. PAUL.—The state fire marshal's office of Minnesota has recently taken on a new activity that promises to increase in importance as the years go by. That is the inspection of farms under rural electrification projects. Already 7,500 Minnesota farms are embraced in these projects and it has been necessary for the fire marshal to appoint eight special inspectors to check up on wiring and other electrical equipment of the farms. To date they have covered about 600 farms.

Milwaukee Meeting Postponed

MILWAUKEE — The Milwaukee Board has postponed its annual meeting to Oct. 27 on account of the convention of the Wisconsin Association of Insurance Agents at Oshkosh this week.

Can't Be Charged for Audits

The Ohio attorney general holds that when examinations are made by the state auditor for the state department of insurance and the state fire marshal's division, the cost cannot be charged to either of these departments. Request for a ruling was made by Director Benesch of the department of commerce.

New Indiana Mutual Forming

Articles of incorporation have been filed by the Terre Haute Mutual Fire of 651½ Wabash avenue, Terre Haute, Ind. C. W. Kern is president, J. J. Frizz, vice-president, and H. F. Schmidt, secretary.

Hold Springfield, O., Outing

The Springfield (O.) Association of Insurance Agents holds its annual outing Thursday of this week at the Springfield Country Club. John A. Lloyd, secretary Ohio Association of Insurance Agents, is the speaker.

Discuss Garage Liability

OWATONNA, MINN.—Garage and garage-keepers' liability were discussed at meeting here of the Southern Minnesota Agents Regional Association. Reports on the recent Dallas convention of the National Association of Insurance Agents were given.

Mrs. Wroten to Continue Agency

Mrs. M. J. Wroten of Kansas City, Mo., will continue the M. J. Wroten Agency following the death of her husband. Mr. and Mrs. Wroten were married 17 years and she has been connected with the firm for 18 years. She is regarded as a well informed insurance woman.

Illinois Mutuals Meet Oct. 26

The Illinois Association of Mutual Fire & Windstorm Insurance Companies is holding its annual convention at Moline, Oct. 26-27. President W. H. Conklin will preside. H. P. Hostetter, Mt. Carroll, will respond to the welcome by Mayor Arp of Moline. Talks will be made by Henry Giese, Iowa State College; H. F. Gross, Des Moines; C. W. Glover, counsel Federation of Mutual Insurance Companies, Chicago; Mr. Seagraves of Chicago will talk on Rural Electrification and a question box will be conducted by Mr. Hostetter. A

banquet will be held the first evening with Rev. A. G. Pearson as speaker. The second day W. V. Burras, president State Mutual Fire of Michigan, will talk on "The Value of Lightning Rods," and Harry P. Cooper, secretary of the National Association of Mutual Insurance Companies, will talk on National association activities. The Illinois association now has 156 members.

Ohio District 4 Meeting

At a meeting of District 4 of the Ohio Association of Insurance Agents at Troy, M. E. Hallinean of Springfield was nominated for trustee of the state association. J. Ben Wilkinson of Piqua, present trustee, presided. It was decided to hold another meeting soon after the first of the year when a district chairman and secretary will be elected. W. J. Gilsdorf of the North America spoke.

Talk on Rural Agents' Problems

Speakers at the conference on rural agents' problems at the annual convention of the Ohio Association of Insurance Agents in Toledo next week will include Rush Carter of Chicago, farm superintendent Aetna Fire, and Frank E. Kirkpatrick of Columbus.

Superintendent Bowen of Ohio, the closing speaker at the convention, will talk on "Attributes of a Real Insurance Agent."

Valgren Addresses Mutual Men

V. N. Valgren, agricultural economist of the Farm Credit Administration, was the principal speaker at a meeting of farmers county mutual insurance companies in Chillicothe, Mo., with about 125 companies represented. Other speakers were Elton R. Marshall, Kansas City; Dan M. Nee, collector of internal revenue, Kansas City, and Frank Bray, Maysville. J. F. Summerville of Chillicothe presided as president of the association.

Minnesota Membership Drive

MINNEAPOLIS—Steps will be taken at a meeting here Oct. 29 to organize an intensive drive for new members of the Minnesota Association of Insurance Agents. The executive committee and a group of regional vice-presidents will map a campaign that will reach into all parts of the state.

At the annual meeting in Duluth, President E. C. Huhnke urged an aggressive membership campaign. Since that meeting two new local boards have been established, at Fergus Falls and Moorhead, and a regional association has been formed in the north central section. Additional local boards are being planned.

Forshay at State Meetings

R. W. Forshay of Anita, Ia., chairman of the rural agents committee, of the National Association of Insurance Agents, who addressed the meeting of the South Dakota Association of Insurance Agents at Sioux Falls last week, will be at the Ohio association meeting at Toledo next week. C. Stanley Stults of Hightstown, N. J., who represented the National association at the Maryland meeting at Hagerstown, will act in the same capacity at Toledo. He is a member of the national executive committee.

Dodge County Agents Elect

MAYVILLE, WIS.—At the annual meeting of the Dodge County Association of Insurance Agents, Hugo Roll of Hustisford was elected president to succeed E. R. Frederick of Beaver Dam. Other officers named were William Liebig, Beaver Dam, vice-president; George Frederick, Beaver Dam, secretary-treasurer; Otto Ruedebusch, Brownsville,



NATIONAL UNION FIRE INSURANCE COMPANY

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and Elmer Frederick, Beaver Dam, directors.

Thomas Larkins, Milwaukee, state agent Hartford Fire, spoke on "Why a Lobbyist?" Mr. Larkins is chairman of the legislative committee of the Wisconsin Fire Underwriters Association. He

discussed the need of and reasons for legislative work by insurance interests to safeguard the institution and the insuring public from the enactment of detrimental laws. He also told of experiences and problems in the Wisconsin legislature.

IN THE SOUTHERN STATES

DeTreville Made President of Louisiana Rating Bureau

NEW ORLEANS.—James L. DeTreville, St. Paul Fire & Marine, has been elected president of the Louisiana Rating & Fire Prevention Bureau to succeed E. J. Sullivan, Commercial Union. W. S. Bizzell was reelected secretary-treasurer. Herman Holland of Shreveport succeeds Mr. DeTreville as vice-president. A. J. Bolles, C. A. Prescott, W. B. Sullivan, Harold Grant, T. W. McDaniel and E. J. Sullivan, the retiring president, were elected directors. Holdover directors are Ralph M. Pons, F. M. Malone, E. W. Charlton, Jr., H. G. Thomas, C. E. Farrell, H. G. Spaulding, Jr., and F. A. von der Haer, state fire marshal.

Florida State Insurance

TALLAHASSEE, FLA.—The annual report of the insurance department for the fiscal year ended June 30 shows that of the \$13,449,984 of fire insurance carried on state properties, \$9,805,999 is in the state fund, and \$3,583,985 in companies. The one-year premium on the fund allotment is \$77,185; in companies, \$47,196.

Clarke Arlington County Speaker

Roger Clarke, of Fredericksburg, immediate past president of the Virginia Association of Insurance Agents, spoke before the Arlington county (Va.) Board on highlights of the annual meeting of the National Association of Insurance Agents in Dallas.

New Premiums Finance Company

Insurance Premiums Finance Corporation of Richmond, Va., has been chartered to lend money to assured for payment of premiums, with authorized maximum capital of \$15,000. A. Monroe, Jr., Richmond attorney, who is

president of the company, says it expects to begin operating within the next month or so. It is the first concern of its kind to be launched in Virginia.

Withdraw Complaint on Mutual

The Georgia Association of Insurance Agents has just bulletined all members that in view of the fact that the Atlantic Mutual Fire of Savannah has offered to sever its connection with the Realty Insurance Agency, which is operating in conjunction with the Atlantic Savings & Trust Co., the complaint against that company is withdrawn.

Name Georgia Rural Committee

President A. A. Cooper of the Georgia Association of Insurance Agents has appointed his rural and farm committee: E. J. Pace, Dawson, chairman; J. B. Searcy, Griffin; J. W. Davis, Gainesville; Horace Cole, Carrollton; J. S. Stamps, McRae; S. C. Cox, Jr., Waynesboro, and D. S. Price, Jesup.

New Miami School Plan

MIAMI, FLA.—On recommendation of A. P. Walter, newly appointed business manager of the county school system, the board approved a plan whereby insurance on school buildings in the county system will be taken out on a five-year term basis instead of the year-to-year basis as at present. The plan is exclusive of the 14th special tax school district, comprising Miami Beach.

The change is expected to effect a saving over the five-year period of \$20,269 or \$4,053 a year.

Allocate Oklahoma County Line

OKLAHOMA CITY—By direction of the county commissioners, a committee of the Oklahoma City Insurors Exchange will allocate \$1,078,950 of insurance on county buildings, with 22 agencies participating in the distribution. Members of the committee are L. I.

Officials Are Reelected



L. M. ROSS, Gallatin, Tenn.



W. D. PETTIGREW, Knoxville

W. D. Pettigrew, vice-president and treasurer of J. E. Lutz & Co. of Knoxville, was reelected executive vice-president of the Tennessee Association of Insurance Agents and Leslie M. Ross

of Gallatin was reelected secretary and treasurer. W. S. Keesee of Chattanooga was reelected to serve a second term as president of the association at its Chattanooga meeting.

Georgia Leader Speaks at Tennessee Meeting



HERMAN J. HAAS, Atlanta

Herman J. Haas of Atlanta, Ga., former president of the Georgia Association of Insurance Agents and national councilor from his state, represented the National association at the Tennessee meeting at Chattanooga last week.

Baker, H. T. Moran and John Delaney, Commissioners on the county business will be divided among 60 agents.

The R. W. Wells agency, Tulsa, Okla., has been consolidated with the Phoenix Insurance Agency, with Mr. Wells as manager. Offices are in the Beacon building.

COAST

Right to Expirations Upheld

Ownership Held Established by Custom in Case Against Oregon Mutual Fire

PORTLAND, ORE.—Ownership of expirations by the agent, even in the case of a mutual which does not recognize that right, was upheld by Circuit Judge Winter in the case of Port Investment Company vs. Oregon Mutual Fire, et al.

R. R. Quick, who represented the Oregon Mutual in Portland and vicinity at the time of his death, had expirations on business placed with the Oregon Mutual and other companies, valued at about \$12,500. His estate owed the Oregon Mutual about \$12,000. It made a deal with the Quick estate to cancel the indebtedness in exchange for the expirations and then sold these to the Port Investment Company for about \$12,000. The Port company also obtained exclusive representation of the Oregon Mutual for 30 months, under a contract which gave Oregon Mutual the right to cancel the agency agreement at any time, but without any provision in the contract relative to ownership of the expirations.

When the agency contract was cancelled, the Port Investment Company maintained that it was the exclusive owner of both the Quick agency expirations and those which it had been able to develop during the agency relationship, both because of the contract of purchase and the custom and usage which give the agent exclusive ownership of expirations developed by him or acquired by purchase from another agent.

Judge Winter held that the custom that expirations belong to the agent handling the business is universally rec-

ognized. He said that although the company contended that the custom does not apply to mutuals, and cited its regulations claiming that it had never recognized the custom, but had notified its agents that the company always had considered the expirations belonged to the company and not to the agent, the testimony did not disclose that the Port Investment Company nor any of its officers had ever been advised of such regulations.

Open Spokane Service Office

An eastern Washington and northern Idaho service office for the Royal-Liverpool group has been opened in Spokane under supervision of Special Agent J. H. Ohrner.

State Agent McKinley of the Royal group and George Guerraz of the Liverpool group at Seattle will continue supervision and jurisdiction over the territory for their respective groups.

Push Business Development

SEATTLE—The field men's organizations in Seattle and Spokane and the Insurance Agents League of Washington are laying plans for carrying on Business Development work. C. B. White has been named on the committee in Seattle. A member will be named from each of the 14 local boards.

Trenbath, Maloy at Everett

EVERETT, WASH.—E. W. Trenbath, Norwich Union, and W. H. Maloy, Great American-Phoenix of Hartford, will address the Nov. 2 meeting of Snohomish County Insurance Agents Association.

Women Discuss Home Safety

SAN FRANCISCO—"Home Safety," with the Aetna Casualty & Surety film on that subject as the principal feature, was the topic at the monthly meeting of the San Francisco Insurance Women's League. Guy C. Macdonald, secretary of the San Francisco Safety Council, spoke. Nov. 3 will be devoted to an "evening of fun."

Open New Building Oct. 25

SAN FRANCISCO—Formal opening of the three-story building at 432 California street, recently purchased by Edward Brown & Sons, will be held Oct. 25. It will be occupied in its entirety by the general agency.

Coast Agents Pick Portland

Portland will be the scene of the first meeting of the Far West Agents Conference which will be held some time in February. A meeting of Pacific Coast association representatives at the Dallas meeting of the National Association of Insurance Agents decided to hold a conference to discuss common problems on the far west. G. C. Ap-

leton, president of the California association, was chairman of the meeting. Already California, Oregon, Washington and Idaho have agreed to send representatives to the conference.

New Walla Walla Secretary

G. A. Jones of the Cox-Dunning Investment Co. has been appointed secretary-treasurer of the Walla Walla (Wash.) Insurance Agents Association, succeeding Fred C. Wilson.

Gould & Gould Move Office

The Gould & Gould general agency has moved its Seattle head office from the Empire building, where it started business 17 years ago, to larger quarters at 919 Dexter Horton building. It has branches at Portland and Spokane.

Pacific Board Meeting Deferred

Because of lack of proper accommodations at Del Monte, the semi-annual meeting of the Pacific Board scheduled at that place for Nov. 4 will be held at a later date. It is planned to hold a brief meeting in San Francisco and adjourn to a later date when accommodations will be available.

Educational Meet at Yakima

The Special Agents Association of the Pacific Northwest will stage an educational program following a dinner meeting of the Yakima Fire Insurance Exchange at Yakima, Wash., Oct. 22. Speakers will include W. H. Maloy,

Great American-Phoenix of Hartford; Lloyd B. Beattie, Franklin Fire; G. N. Hedreen, Fire Association, and A. S. Heatfield, Selbach & Deans.

Arbon Spokane President

Leonard M. Arbon of Jones & Mitchell has been elected president of the Spokane (Wash.) Insurance Association, succeeding R. H. Alton, resigned. Mr. Alton has left the H. S. Gimble agency to become special agent in eastern Washington for Cravens, Dargan & Fox. He succeeds E. J. Twyford, who has been appointed manager of the Fidelity Savings & Loan Association's insurance department.

Names Washington Committees

Eleven standing committees to guide the various activities of the organization have been appointed by President H. E. Briggs of the Insurance Agents League of Washington. Two new committees have been added this year. The rural agents committee will cooperate in the National association program, while an agency qualification enforcement committee will cooperate with the insurance department in scrutinizing agents' license applications.

J. E. Johnson, Jr., in Field

J. Edward Johnson, Jr., son of the long-time special agent in Washington for the London Assurance, has gone into the field for the Brock & Allen general agency of Seattle.

EASTERN STATES ACTIVITIES

Massachusetts Program Out

Schedule of Events of the Annual Meeting of the State Association of Agents

Program for the annual meeting of the Massachusetts Association of Insurance Agents to be held at the Hotel Bancroft, Worcester, Oct. 26-27, has been announced. The program is as follows:

Tuesday, Oct. 26

Get-together dinner, President C. Conrad Parker, Worcester, presiding. Greetings from F. R. A. McGlynn, president Worcester board.

Introduction of special guests.

Address, F. J. Decelles, Massachusetts commissioner.

Address, E. M. Allen, executive vice-president National Surety and past president of the National Association of Insurance Agents.

Wednesday, Oct. 27

Annual reports of officers: President C. Conrad Parker, Worcester; Secretary-Treasurer Fred A. Norton, Salem; National Councillor E. J. Cole, Fall River.

Committee Reports: W. S. Shaw, legislative; C. K. Steele, membership; Fred R. Smith, business development; G. C. H. Smith, automobile; J. D. Lynch, rural; F. R. Knox, fire prevention; P. J. Woodcome, accident prevention.

Greetings from the National Association and address by Walter H. Bennett, general counsel-secretary.

Greeting from the New England Advisory Board, Frank W. Brodie, Waterbury, Conn., chairman.

Address, John W. Downs, counsel Insurance Federation of Massachusetts.

Report of nominating committee. Luncheon furnished through courtesy of the Worcester Mutual Fire.

Afternoon Session

Address, Charles C. Hewitt, Boston, Service Men's Protective Association.

Items of Interest, Edwin J. Cole, national councillor.

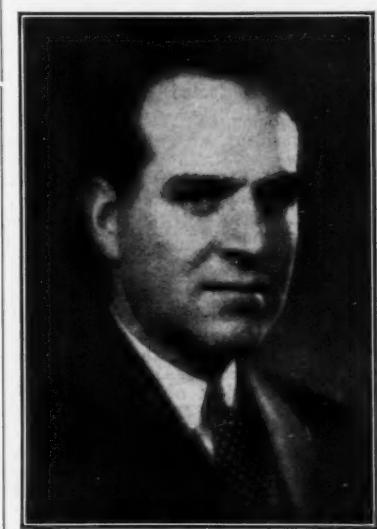
Business Development Office, Ralph G. Hinkley, Boston, manager American of Newark.

tive manager after a directors meeting. The association's 18th anniversary will be observed Nov. 7, and it is expected that the choice will be submitted to the membership about that time.

Fleming Talks to Credit Men

NEWARK—The responsibility of credit men to insurance, was explained at a dinner of the New Jersey Association of Credit Men here, by T. Alfred Fleming, head of the National Board's conservation department. Ernest Babage, vice-president Bankers Indemnity,

National Association Speaker in Maine



J. B. MILLER

Assistant Secretary J. B. Miller of the National Association of Insurance Agents attended the annual meeting of the Maine association at Waterville Wednesday of this week, speaking at the banquet. Mr. Miller is the right hand man of Secretary W. H. Bennett and has charge of much of the convention details at national meetings.



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Defer Pittsburgh Selection

PITTSBURGH—The reorganized Fire Insurance Agents Association of Pittsburgh postponed selection of an execu-

and Frederick Doremus, secretary American of Newark, who were guests, answered a number of questions. The dinner was attended by a large delegation of insurance agents. At the November meeting Leon A. Watson of the New Jersey schedule rating office, is expected to talk on credit, as it affects insurance.

Pittsburgh School Launched

PITTSBURGH—John M. Thomas, president of the National Union Fire, and E. S. Joseph, deputy insurance commissioner, spoke at the first session of the insurance school sponsored by the



WAS I

Surprised!

"I've just finished reading a booklet called 'Planned Progress.' I've seen it advertised for over a year, but never bothered to write for it before because—well, it sounded like one of those things that are too good to be true. And am I sore at myself! It showed me exactly what I need. I know now where I've been letting the other fellow get ahead of me... It showed me that I need a plan to cut out hit-or-miss methods of selling insurance... And it offered me a plan based on an analysis of my agency, my market, and my competition—tailor-made—to fit me and my agency. I'm sold on the idea—I don't know of any company that offers anything like it.... Other people have made a success of that plan.... Watch me. I'm going to! I know the first thing I need is another company in my office, one that will actually help me help myself.... A company I can depend on.... one that writes many lines.... I know what it means to have sympathetic field men who will help me solve my problems.... I know what it will mean to me to have an analysis of just where I stand and where my opportunities are.... But more than everything else, I know I need a plan.... a plan for me! I'm going to have it. It's time to pick out an objective and to head straight for it.... I'm going to do things."

You, too, can learn about the plan that hundreds of agents are using with success. If you've decided that you're going places, too, this year, mail the coupon for your copy of the booklet, "Planned Progress."

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Insurance Club of Pittsburgh and the Pittsburgh board of education.

The school will be held on Monday and Thursday nights until April. Cooperating with the Insurance Club in the course of lectures are the Pittsburgh Fire Insurance Agents Association, the Pittsburgh Surety Association, Smoke & Cinder Club, the Pittsburgh Casualty Association, and the Accident & Health Insurance Managers Association.

Start Baltimore Courses

BALTIMORE—Fire and casualty courses will be conducted by the Insurance Society of Baltimore under the supervision of the Insurance Institute of America. Both courses started this week.

The annual dinner is being held Oct.

21, with W. D. Winter, president Insurance Institute, as the principal speaker.

Dapp Harrisburg President

Fred B. Dapp was elected president of the Harrisburg, Pa., Association of Insurance Agents at the annual meeting. Evan J. Miller is vice-president and C. M. Thumma is secretary.

Open Life Department

Wilson & Redfern, general insurance agents of Orange, N. J., have established a life insurance department with Roderick Bouchard as manager. Mr. Bouchard is with the John A. Ramsay agency of the Connecticut Mutual Life in Newark and will continue that connection.

IN THE CANADIAN FIELD

Outside Agents Make Demand

Toronto Men Want to Be More on Level with Those in Toronto—Reelect Mason

TORONTO.—A claim by agents outside this city for commissions more on a level with those paid to agents in Toronto was put forward strongly at the annual convention here of the Ontario Fire & Casualty Insurance Agents' Association.

The demand was expressed in a lengthy resolution, which occasioned much debate. In final form, it insists on the agents being allowed the opportunity, through the Canadian Federation of Insurance Agents, of taking the matter up with the companies. The federation is a national body, representative of various local agents' organizations including the Ontario association. On the companies' side, the Dominion Board of Insurance Underwriters, the All-Canada Insurance Federation and the Canadian Underwriters' Association are referred to as representative organizations, the secretary of the Toronto Insurance Conference and the Ontario insurance superintendent being also mentioned as parties for consultation.

The resolution hints that in view of the overhead costs of 50 percent or over, the outside agents do not get enough. It protests the "unfair distribution of commissions now paid by all licensed insuring companies in Canada and insists on readjustment of commissions." It further suggests that rates should be governed by location of the risk, by acquisition cost and by service rendered.

President is Reelected

S. O. Mason of Welland, was re-elected president, with the following as vice-presidents: R. L. Patterson, Owen Sound; A. E. Buscombe, Hamilton; E. B. Baxter, Windsor, and C. M. Lester, Kitchener. Charles Priestman of Toronto is secretary.

The convention was stated by President Mason to have the largest registration and attendance in the history of the association. It included an informal preliminary gathering Wednesday evening which more than 50 attended. Feature speakers were H. D. McNairn, Ontario superintendent of insurance; J. J. Magrath, of Chubb & Son, New York, and Col. Geo. A. Drew of Toronto.

W. J. Scott, fire marshal of Ontario, warned against dangers of over-insurance and under-inspection, pointing out that it was possible to increase total insurance in many ways without running into superintendent of insurance; J. J. inspection is made before and after the policy was written.

C. M. Lester, chairman of the advertising committee, suggested a province-wide advertising campaign. The insurance companies, he pointed out, spend large sums in explanatory pamphlets, blotters, notebooks, pencils, etc., for which they probably received little return, the agents taking all that comes

along free. He suggested a strong advertising committee that might be able to suggest to the companies more advantageous ways of spending, such as a province-wide institutional advertising campaign, along creative lines, aimed at cutting price competition and pirating of business.

Don S. Miller, Canadian manager for Central Manufacturers Mutual, arranged for copies of the morning newspaper to be delivered to the rooms of all conventioneers, with the compliments of his company.

Duties of Kastner, Thomsen With Corroon & Reynolds

NEW YORK.—An erroneous report from Los Angeles was that Secretary R. J. Kastner, of the Corroon & Reynolds group would retire because of ill health, his former duties to be assumed by Secretary H. J. Thomsen. As correctly stated in THE NATIONAL UNDERWRITER of Sept. 30, Mr. Kastner, while relieved of the arduous work of supervising the southern territory, remains with the organization at its headquarters here performing such duties as his health permits. Mr. Thomsen, who succeeds to the management of the southern field, previously supervised the eastern division. He is now on an agency trip through the southwest.

Reconsideration of Cut on Compensation Fee Asked

(CONTINUED FROM PAGE 5) presiding. Mr. Bird skilfully guided the meeting, taking little part himself but continually keeping the interest of the agents. It was a seminar well attended and well managed.

The sessions proper started Wednesday afternoon with the call to order by President Bird. Mayor Wiechering gave an address of welcome as did F. L. Con-

roy, president of the local board. W. Conan Thornton, Fond du Lac, made the response. President Bird made the annual report of the administration.

John G. Seidel, secretary read his annual report in which he showed the association to be in excellent financial condition with a gain of \$400 in net worth and a gratifying membership increase of 53 bringing the total to 249. G. F. Risley, Great American followed with a talk on state fund competition.

"Consumer Cooperatives" was discussed by P. J. Letterdale, editor of "Northwest Insurance." The day's business session was concluded with a forum for agents only. The evening banquet and get together dinner closed the day's activities.

Cincinnati Agents Get Tips on Fidelity Production

(CONTINUED FROM PAGE 37)

his requirements. A fidelity bond covers the faithful performance of the employee and relieves the employer from worry.

According to J. R. Howell, assistant manager fidelity department Fidelity & Deposit, Baltimore, 15,000,000 persons, one-third of all employed persons, are bonded by one of the 60 bonding companies. Fidelity bonds solve the problem of dishonesty for the employer—something which cannot be detected in advance. The employer is relieved of the burden of proving intent, both the act and intent being covered.

Mr. Howell advocated the sale of blanket forms rather than schedule bonds. Concerns have a tendency to hold on to schedule bonds and employers underestimate the amount which is liable to be taken. The position schedule bond is popular, the employer knowing that his employees are covered by position, but recovery depends on showing the loss has been caused by an identifiable individual or group. The advantages of the blanket cover, Mr. Howell said, is that the employer may recover from the bonding company without identification of the employee causing the loss, only certain employees being excluded by classes. Automatic coverage provided by the blanket position bond is a forward step. The bonding companies are supplying modern surety coverages for the changing needs of business.

Mr. Howell said he wondered why banks did not require a fidelity bond from borrowers when they required that fire insurance be carried.

A fire insurance company when it closes its books at the end of the year knows what its liability is, but this is not true of a surety company. The employer is dealing with the uncertainty of human nature in dishonesty coverage which is not dealt with in other lines of insurance.

Fidelity is the most fertile field for cultivation in insurance, J. Dillard Hall,

(CONTINUED ON PAGE 47)

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Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

(Continued next page)

INSURANCE ATTORNEYS

The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

OREGON (Cont.)

MCCAMANT, THOMPSON, KING & WOOD

American Bank Bldg.
Portland, Ore.

Mutual Life Ins. Co. of N. Y., Union Central
Life, New Amsterdam Cas., Commercial Casualty,
Sun Indemnity.
Equipped for investigations, adjustments of claims.

RAFFETY & PICKETT

418 Mead Building
Portland, Oregon

Globe Indemnity Co., Fireman's Fund Insurance Co. (Marine Department), other names upon request.
Equipped to make investigations and adjustments,
also trial of insurance cases in all State and
Federal Courts.

PENNSYLVANIA

MOORHEAD and KNOX

1732 Oliver Building
Pittsburgh, Pa.

Equipped for investigations.
Defense of Insurance Companies in State and Federal Courts.

THORP, BOSTWICK, REED & ARMSTRONG

Grant Building
Pittsburgh, Pa.

Seaboard Surety Co., American Surety Co. (Pittsburgh office), U. S. Fidelity & Guaranty (some cases), others on request.
Investigations.

RHODE ISLAND

SHERWOOD & CLIFFORD

1503 Turkey Head Building
Providence, R. I.

General Counsel: Factory Mutual Liab. Ins. Co. and
Automobile Mutual Ins. Co. of America.
Rhode Island Counsel: Employers' Liability, Century
Indemnity and others.
Investigations, Adjustments and trial of all cases.

SOUTH CAROLINA

ROBERT McC. FIGG, JR.

4 Broad Street
Charleston - South Carolina

The Travelers Insurance Company, American Surety Company of New York, Hartford Accident & Indemnity Company, New York Casualty Company, Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments.

THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building
Columbia, South Carolina

Specializing in Fire, Casualty, Surety and Life.
Trial of all cases.
Equipped for investigations and adjustments all over
South Carolina.

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BAILEY, VOORHEES, WOODS & BOTTUM

Sioux Falls
Charles O. Bailey (1888-1928)
John H. Voorhees
Theodore M. Bailey
Howell L. Fuller
Ralph S. Rice

355 Boyce Building
Sioux Falls, S. D.

Hardware Mutual, Mutual Benefit Health & Accident, Northwestern National Casualty, Bankers Indemnity, London Guarantee & Accident.
First Citizens National Bank Building
Watertown, S. Dakota

WALTER STOVER

First Citizens National Bank Building
Watertown, S. Dakota

TENNESSEE

POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building
Knoxville, Tennessee
Zurich Insurance Co., Chicago, Ill.; Preferred Agent Ins. Co., New York; Commercial Standard Ins. Co., Fort Worth, Texas; and other companies on request.
Equipped for investigation, adjustments and trial of cases in all courts in Eastern Tennessee.

TEXAS

UNDERWOOD, JOHNSON DOOLEY & HUFF

800 Amarillo Building
Amarillo, Texas
Consolidated Underwriters, Commercial Standard Insurance Co., Maryland Casualty Co., Texas Employers Insurance Assoc., others, on request.
Equipped for investigations, adjustments, trial of all insurance cases state and federal courts, Panhandle and West Texas.

COLEMAN GAY

Norwood Building
Austin, Texas

Travelers-American Indemnity-Glens Falls
others on request.
Practice before all State Departments.

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas

References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

LAW OFFICES COKE & COKE

First National Bank Building
DALLAS, TEXAS

Rosser J. Coke
Henry C. Coke, Jr.
Julian B. Martin
Thomas G. Murmane
John N. Jackson
Arthur E. Hamilton

CANTEY, HANGER & McMAHON

15th Floor, Sinclair Building
FORT WORTH, TEXAS

Samuel B. Cantey
(1883-1924) Samuel B. Cantey, Jr.
William A. Hanger Alfred McNaught
Mark Mahon Gillie A. Johnson
W. D. Smith B. K. Hanger
Investigations, Adjustments, Trial All Cases

COLE, PATTERSON & COLE

Citizens State Bank Building
Houston, Texas Galveston, Texas

Robert L. Cole, Jr. J. W. McDonald
Bruce B. Patterson Harold L. Thorne
Robert L. Cole, Jr. R. E. Owens
Seymour Lieberman
Standard Accident Insurance Company of Detroit,
Chicago Lloyds.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all
insurance cases and oil cases.

LAW OFFICES OF EDWARD S. BOYLES

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Edward S. Boyles
M. S. McCorquodale
Bruce C. Billingsley
E. F. Gibbons
Willard L. Russell
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CRENSHAW & DUPREE

First National Bank Building
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Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life, Inc., and many others.
Trial of all insurance cases in all courts. Equipped for investigations, adjustments, settlement of claims in plains country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-511 Gunter Building
San Antonio, Texas

Continental Casualty Co., Chicago; Indemnity Ins. Co. of North America, Phila., Mass., Bonding & Ins. Co., Boston; Provident Life and Acc. Ins. Co., Chattanooga; Sun Indemnity Co. of New York; Volunteer State Life Ins. Co., Chattanooga, and others.

John W. Roberts
E. L. Steel
Tom W. Holmes
Frank Hunter
Tyre H. Holland
Laurence Booth, Jr.

TEXAS (Cont.)

MOURSUND, BALL, MOURSUND & BERGSTROM

613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others given on request.
Trial of all insurance cases, State and Federal Courts this territory.

WASHINGTON (Cont.)

SCHWELLENBACH & GATES

Alaska Building
Seattle, Washington
American Automobile Insurance Company, St. Louis, Missouri; other companies given on request.
Trial of all insurance cases. State and Federal Courts

H. EARL DAVIS

301 Sherwood Building
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Representing the Columbia Cas., Ocean Acc. & Guarantee, Royal Indemnity, Eagle Indemnity, Great American Indemnity, American Surety, New York Cas., U. S. Guarantee, Ohio Casualty Ins., Great Lakes Casualty, Connecticut Indemnity, St. Paul Mercury Indemnity.
Equipped to handle investigations and adjustments and all types of insurance trial work.

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Puget Sound Bank Bldg.
Tacoma, Wash.

Insurance clients given on request. Equipped for investigations and adjustments.

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102 First National Bank Building
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Representing U. S. F. & G., Portland Assoc. Inc.,
Indemnity, Portland. Other companies on request.
Equipped for investigations, adjustments and trial
for this territory and eastern Oregon.

WISCONSIN

KRUGMEIER & WITMER

Appleton State Bank Bldg.
Appleton, Wisconsin

Defense of Insurance trial work. Equipped for Adjustments and investigations.

CROCKER & HIBBARD

303½ South Barstow St.
Eau Claire, Wisconsin

Equipped for handling all insurance matters in this
territory in State and Federal Courts.
Reference: Western Adjustment and Inspection Bureau.

LYNN D. JASEPH

404 Northern Building
Green Bay, Wisconsin

Defense in trial work of insurance cases in all
State and Federal Courts.

NASH & NASH

Savings Bank Building
Manitowoc, Wisconsin
Continental Casualty Co., The American Motorist,
American Employers Group, Hardware Mutual Casualty Co., and others on request.
Equipped for investigations, settlement of all insurance claims—this territory. Defense trial in State and Federal Courts.

EUGENE L. MCINTYRE

Bender, Trump & McIntyre
605 Security Building
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Milwaukee, Wisconsin
Western Ins. Companies of Fort Scott, Sun Indemnity, Central Surety & Ins. Corp., Employers Reinsurance Corp. Others on request.
Equipped to investigate and adjust claims in Milwaukee and vicinity.

GRINSTEAD, LAUBE & LAUGHLIN

1406 Dexter Horton Bldg.
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Fidelity & Deposit, Massachusetts Bonding & Insurance, Associated Indemnity, Globe Indemnity. Qualified to handle defense trial work of fire companies.

N. A. PEARSON

403-44 Fourth & Pike Bldg.
Seattle, Wash.

Associated Indemnity Corp., and London
Guarantees & Accident Co.
Equipped for investigations and adjustments and
trial of all insurance cases in State and Federal
Courts.

ROBERTS AND SKEEL

Insurance Building

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E. L. Steel
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W. B. McElroy
Wm. Paul Uhlig
Harry Hecke, Jr.
W. E. Eveson
Robert H. Grace

SEATTLE

associate agency director United States Fidelity & Guaranty, declared, being capable of a 90 percent development. He exhibited a letter from the National Association of Credit Men which stated that dishonesty loss was far greater than fire loss. Fidelity premiums last year were \$42,000,000, about 6 percent of the total casualty premiums. About \$20,000,000 was paid for fidelity losses compared to a \$293,000,000 fire loss. Mr. Hall said that, therefore, 90 percent of the losses were uncovered. The potential field for development in fire insurance is only 25 percent. A survey by the American Institute of Accountants several years ago showed that 7 percent of all mercantile failures were caused by dishonesty.

The investigating department of a bonding company is most efficient and an employer purchasing a fidelity bond will have undesirable employees exposed through its activities.

Many agents have been hesitant to talk fidelity because they regard the

ATTORNEYS (Cont.) WISCONSIN (Cont.)

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Milwaukee, Wisconsin

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BOUCK, HILTON, KLUWIN & DEMPSEY

First National Bank Bldg.
Oshkosh, Wisconsin

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Employers Group, United States Casualty Co., Chicago Motor Club.

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GORMAN, BOILEAU & PARK

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R. DWIGHT WALLACE

EVANSTON NATIONAL BANK BLDG.
EVANSTON, WYO.

Representing U. S. Fidelity & Guaranty. Equipped for investigations, adjustments, settlement of claims in this territory, and defense trial work.

manual as complicated, Mr. Hall said. However, not more than 25 percent of the fidelity business is classified and if an agent memorizes the unclassified section of rates he will be able to talk to most of the prospects up and down Main street. No other manual is so simple, he added.

A considerable number of employers adopted the application blank used by the insurance company rather than the one they had been accustomed to using when hiring a prospective employee. Mr. Hall said that in his mind there were types of coverages for the "narrow," "broad," and "gilt edged" risks.

A few prospects for fidelity bonds are the 25,000 members of the National Association of Credit Men, 200 large buyers belonging to the American Management Association, and 2,322 credit unions of which there are 122 in Ohio. Credit union treasurers must give bond and all federal credit union employees must be covered by a fidelity bond. Every employer is a prospect, Mr. Hall said. There is a crime every 22 seconds and failure to get fidelity business is the fault of the agent.

F. J. Roelle, Cincinnati manager Fidelity & Deposit and president Ohio Association of Casualty & Surety Managers, called the meeting to order. He introduced W. R. Perkins, president Cincinnati Casualty & Surety Association, who presided. The following took bows: G. F. Ainslie, Jr., Columbus manager, American Surety and secretary of the managers association, and Theodore Safford, president, and J. F. Schweer, secretary Cincinnati Fire Underwriters Association, the latter also being secretary of the Cincinnati casualty association.

Tennessee Agents Decide to Employ Full Time Manager

(CONTINUED FROM PAGE 21)

department. "However," he declared, "it is impossible for a loan agency to dominate by fear or coercion, direct or implied, the controlling of insurance contracts pertaining to either life or property of a party being accommodated with a loan."

Full commissions must be paid to counter signing agents Mr. McCormack recalled. The countersigning agent, however, may remit a portion of his commission to a resident broker. He must include in an affidavit to the department, however, the name of any person receiving such commission. The business must be reported through the account current of the Tennessee agents and the insurer must report the business in making returns for purposes of paying the premium tax.

Tennessee Brokers Act

The Tennessee brokers act provides that a resident or non-resident of Tennessee with five years insurance experience, upon proper application and acceptance for a broker's license, will have the privilege of placing business with Tennessee agents at a fair rate of commission. Courtesy counter signatures are not legal.

Mr. McCormack warned branch managers that all out-of-state policies must be countersigned by Tennessee agents and that courtesy countersignatures must be discontinued.

When company employees act in the capacity of local agents, they must qualify as such.

Company employees that are also licensed as local agents do not have the privilege of countersigning policies charged to other agents' accounts.

In referring to unauthorized insurance, he said the department recently has collected direct from insured with property in Tennessee the premium taxes legally due and not paid by non-admitted carriers.

The public, he said, should not deal with non-admitted companies and should

require the agent who solicits their business to show a certificate of authority for the underwriting company.

Most of the mail order companies that fail to qualify in Tennessee are not worthy of confidence, he said. Many such companies could not qualify.

A sightseeing tour of Chattanooga and of Chattanooga Dam and the annual banquet formed the social features.

C. J. Fitzpatrick's Talk

C. J. Fitzpatrick, vice-president and secretary United States Fidelity & Guaranty, declared that the insurance agent and his company must be abreast of the times, "and this is not the easiest thing in the world because the picture changes daily." One of the problems confronting the insurance business today, he said, is not necessarily sales and production, capital or assets, but the retaining of good will, of protecting business against organized attack. He expressed some anxiety as to the menace of the communistic minority in the United States because of the indifference of the majority.

"Fortunately for the stock insurance business," he added, "you agents are recognized as the leaders in your community and in your dealings with the public have been builders of good will, conciliatory, and have given value. Thus in your three-fold mission—of educators, habit formers, and trustees of security—you have something to fall back on in the struggle with the economic witch doctors, and the companies owe you a great deal."

President Keese Reports

President W. S. Keese, Jr., of Chattanooga, in his accounting of the year's work stated that the association is in good condition financially, although the membership shows a slight drop. He paid high tribute to the work done by L. M. Ross, secretary-treasurer. He reviewed briefly the association's legislative activities, the approval of retrospective rating by Commissioner McCormack, as requested by the association at its last meeting; the work of the Business Development Committee and the importance of membership in both state and national associations.

As a result of complaints received of the appointment of irresponsible or illegitimate agents, he suggested the appointment of a grievance committee by the incoming administration, expressing the belief that it would only be necessary to call these appointments to the companies' attention through a responsible channel. He came out very strongly for the appointment of a full-time manager for the association, which had already been approved by the executive committee.

Loenthal on Legislation

Reporting for the legislative committee, C. B. H. Loenthal of Nashville said the committee decided to concentrate its efforts at the last session on a driver's license law and responsibility law. Seven changes suggested by the committee in the state administration driver's license bill were approved and the bill became a law, effective July 1. By a short paragraph incorporated in that law, a responsibility measure was included, obviating the necessity of a separate bill. He expressed the belief that this legislation is not surpassed by any state in the nation. He declared that it could be helpful in obtaining insurance from thousands of auto owners who have not in the past carried insurance.

Although no other legislation was introduced by the committee, it was instrumental in defeating a number of bills, especially two workmen's compensation measures, one providing for a biased commission to administer the act and another providing an unworkable occupational disease amendment. He praised Commissioner McCormack and Deputy Commissioner Miles for their helpfulness in weeding out a large number of part-time agents, a good many of whom have been licensed in the past to write only their own business.

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Missouri Agents Rename Clevlen as President

(CONTINUED FROM PAGE 5)

mittees and officers, on the program, generous time being allotted for open discussions. After R. A. Curtis, dean of the school of business and public administration of the University of Missouri, welcomed the convention to Columbia and W. J. Welsh, Kansas City, responded, Dwight H. Brown, secretary of state of Missouri, gave the only speech at the Wednesday afternoon session. At the banquet Superintendent R. E. O'Malley spoke briefly. At the Thursday morning session, C. F. Liscumb, Duluth, president National Association of Insurance Agents, and J. C. O'Connor, Chicago, editor of the "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, spoke. All talks, reports and discussions were brief and the members had ample time for a personal exchange of ideas and visits to the large number of company headquarters.

Clevlen Reviews Year

In his report as president, Mr. Clevlen stated that the settlement of the long standing fire rate case, even though partially upset by the recent action of Governor Stark in the case now pending in the state courts, had opened the door in Missouri for modern fire insurance underwriting, to the advantage of every agent. Missouri, he declared, now has the services of the Western Factory Association, the Western Actuarial Bureau and the Western Sprinkled Risk Association available and alert agents are in a better position than ever to render proper service to their clients. He praised the work of the business development office and the services of L. E. Bright, national councillor, both in the state and as secretary of the national councillors group of the National association. The principal activity which now confronts the association, declared Mr. Clevlen, is securing an agency qualification law. If this is enacted, the association can look forward to a reduction in the number of agents and the elimination of the unfit.

Mr. Clevlen was able to report that association finances are in excellent condition, the treasury having a surplus and the National association allocation having been paid in advance in full for the first time.

Progressiveness and Ethics

Where once a banker was satisfied with the general statement of a customer, declared Secretary of State Brown in his address, he now wants an operating statement and modern bankers are demanding it and an insurance statement as well. The general public is just beginning to appreciate the advantages of insurance and desirable agents are acquiring the status of consultants. Mr. Brown urged the agents to make ethics the strongest article in their credo, on the ground that no organization can be any better than its members.

As an example of how insurance can be impressed upon the public mind, Mr. Brown spoke of the tornado which demolished Poplar Bluff in May, 1927. The town would have been wiped out financially if President Clevlen had not sold windstorm insurance intelligently and to probably a greater degree than in any other city.

In urging the agents to be progressive and not to pass up new ideas, Mr. Brown told of the ghost town of Bloomington, Mo., of the existence of which few people present were aware. That city, he stated, was at one time one of the most powerful and prominent towns on the Overland and the Santa Fe trails, and the citizens, believing their position impregnable, refused to support the Hannibal & St. Joe railroad, now part of the Burlington railroad, so that it was not routed through their town

and Bloomington is now nothing but a few decayed structures.

L. W. Garlichs, St. Joseph, chairman executive committee, another association stalwart, reported on the membership campaign. The Missouri association now has 328 members, an increase of 30 over last year, at which time the startling increase of 75 was recorded. Mr. Garlichs explained the new graded allocation plan of the National association. Missouri is in the third division, the reduction on its national dues applying after the 300 mark is passed. He reported on the recent Dallas convention of the National association and asked for more Missouri men to attend both the mid-year and the annual meeting.

Increased Business Development activity during the coming year was promised by O. A. Ramseyer, North America, Kansas City. Missouri has been divided into 10 zones. Last year 19 meetings were held with a total attendance of 864. Zone meetings for this season will start soon, the emphasis this year to be placed upon salesmanship, utility of the price appeal, organized sales programs and the vulnerability of agents. The association will try to organize local boards in all towns of 5,000 or more and the Business Development program will include assured who are now in non-stock carriers and will go after them. There has been, stated Mr. Ramseyer, too much defensiveness in the past. In the future the agents will be concerned not only with holding business, but with fighting for business now out of their hands.

Qualification Law Demanded

The session closed with discussions lead by W. C. Ploeser, St. Louis, on the educational work of the Insurance Institute of Missouri; F. A. Brinkman, Kansas City, manager National Surety, the fidelity and surety production campaign being carried on by the Kansas City Casualty & Surety Association, and L. E. Bright, St. Louis, who described the national councillors meeting at the Dallas convention.

Superintendent O'Malley, the only speaker at the banquet that evening, promised to renew the fight for an agents qualification law and thanked the association for its loyalty and cooperation. While not referring specifically to the recent developments in the fire rate case, there was no doubt as to what was on his mind when he declared that a militant, intelligent organization is necessary because the insurance business has suffered too long from "opportunists, parasites and grafters making a political football of it."

The election of officers and resolutions were the first business of the final morning session. Following the two speeches and adjournment, the members were guests at a buffet luncheon provided by the Home of New York.

South Dakota Unit Shows Vitality in Annual Meet

(CONTINUED FROM PAGE 5)

Earl Dean of the Aetna Casualty, Minneapolis, discussed "Insurance Salesmanship." He also addressed the association last year. Mr. Barnett, presiding, termed it a "subtle compliment" that he was invited to speak again this year.

P. J. Dunn, Miller, state insurance commissioner, opened the afternoon session with a pledge of cooperation from state officials. This promise was reiterated by Ralph S. Rice, Pierre, assistant attorney-general and deputy state industrial commissioner. A discussion followed.

Harvey O. Snediker, Chicago, of the staff of the Western Actuarial Bureau, discussed supplemental contracts after first making himself at home by remarking that his first insurance assignment



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HOTEL NICCOLLET

MINNEAPOLIS

Neil R. Messick, Mgr.

National Hotel Management Co., Inc. Ralph Hitz, President



was re-rating of the "large" town of Fairview, S. D.

Mr. Snediker conducted a question-answer period following his talk. Miner Shaw of the Shaw agency, Sioux Falls, presided.

C. R. Welborn of Underwriters Laboratories, Chicago, showed 2,000 feet of film revealing methods of making tests in the famous laboratories. The picture showing completed the afternoon program and left only the evening banquet and adjournment ahead.

Talk By R. W. Forshay

R. W. Forshay, Anita, Ia., chairman rural agents' committee National Association of Insurance Agents, addressing the banquet, said the National association "has been your watchdog and mine—fighting our battles."

Assigning high credit to the association's conference committee, he declared its accomplishments have been "most far-reaching," and cited its recent opposition to new agency contracts pending full approval of the National organization.

The contracts, presented to agents "out of a clear sky," were opposed, he explained, not because they were necessarily detrimental, but because companies had entered into an agreement with the National association that all matters of "great importance" were worthy of consultation.

His definition of a rural agent brought chuckles from the audience. It was:

Definition of Rural Agent

"Any agent, who is worthy of the name agent—who maintains an office, lives in a town or even a small city, as we call cities in Iowa and South Dakota—who does business himself, has no brokers or solicitors to bother with, writes some farm business if in a farming community, and possibly not member of a local board, hardly knows what it is to solicit or get business by phone. In other words, an agent who heretofore felt, although this is not true, that his state and national association was primarily operating for the benefit of the large city agents."

Snediker Cites Fundamentals

Mr. Snediker said that confusion regarding the supplemental contract can be generally traced to a misunderstanding of the fundamental principles. He outlined those principles, saying the fire insurance policy is employed as the foundation for the coverage against the additional perils of the supplemental contract; since the fire policy is extended, and not the amount of insurance, there is only one amount as the maximum liability under the policy; the supplemental contract becomes an integral part of and is indivisible from the fire policy.

Another principle is that the apportionment clause, which brings into contribution all fire policies, applies likewise to the supplemental contract; the supplemental contract is not simply a form, such as the dwelling form or a mercantile building form, which contains a description of the property and the usual clauses and permits, but it applies additional basic policy conditions to the new perils; the contract is intended to provide permanent insurance and not just temporary coverage for some special peril when it arises, such as a riot; the idea of simplicity underlies the entire supplemental contract plan.

This is the first time a representative of the Western Actuarial Bureau has addressed an insurance gathering. Mr. Snediker made a splendid impression.

SEEN AT SIOUX FALLS

While the first snowfall of the season drifted down outdoors, banqueting members of the South Dakota agents association at Sioux Falls heard a witty address by N. E. Steele, Sioux Falls, secretary South Dakota Education Association.

Titling his address "The Underwriting

of Democracy," the rotund educator dealt mostly in jocosities about fat men, sugar-coating his point—"If we can't make the schools work, then democracy will fail, and you insurance men won't have any customers."

P. J. Dunn, Miller, state insurance commissioner; M. T. Woods, Sioux Falls attorney, who specializes in defending claim cases, and R. W. Forshay, Anita, Ia., were other speakers.

George R. Barnett, Sioux Falls, served as master of ceremonies. He introduced new officers of the association.

* * *

Out-of-state company men at the convention included L. C. Minor, D. D. Daniels and Maurice M. Daniels of the American Surety Company, Minneapolis; H. W. Kenyon of Sun Indemnity, Des Moines, and W. H. Bock of the Fidelity & Deposit Company, Omaha.

* * *

Convention committees were: Grievance: W. O. Walworth, Mitchell; Walter K. Johnson, Gregory, and J. H. Drury, Chamberlain.

Nominations: J. B. Allen, Sioux Falls; C. A. Kabrud, Brookings, and B. E. Beach, Huron.

Resolutions: K. P. Squire, Aberdeen; Howard McWilliams, Rapid City, and L. C. Wheeler, Phillip.

By-laws: D. B. Richards, Huron; A. W. Weller, Mitchell, and Earl Mueller, Groton.

Auditing: H. S. Ward, Huron; R. H. Seydel, Menno, and M. W. Headley, Clark.

* * *

Hane C. Johnson, Sioux Falls agent, was first to register—and he should have been. He was in charge of the registration desk. Convention registration reached 126. Howard McWilliams, Rapid City, and Carl H. Kubler, Deadwood, came the greatest distances—381 and 473 miles, respectively, across the entire state.

Self-Policing of Brokers Is Urged

(CONTINUED FROM PAGE 6)
indirectly interested in any insurance business.

Assemblyman R. F. Piper, chairman of the joint legislative committee on insurance law revision, dealt briefly with a number of provisions in the new proposed code of interest to brokers.

Gold Medal to Hardy

G. F. Sullivan, president of the association, reviewed the past year and concluded by presenting the association's gold medal for the most outstanding service to the insurance business to E. R. Hardy, secretary of the Insurance Society of New York and of the Insurance Institute of America.

Judge Albert Conway of the New York supreme court, former insurance superintendent, was toastmaster. He was introduced by Nathan Greenbaum, chairman of the dinner committee. The banquet was very well attended, last minute sale of tickets bringing the final attendance figure to more than 1,000.

Dinner for E. C. Niver

E. C. Niver, who some weeks ago became manager of the loss committee of the New York Board, was tendered a testimonial dinner by the Albany Field Club at Albany, N. Y. While representing the Fire Companies Adjustment Bureau in eastern New York, Mr. Niver gained the good will of the field men through the efficient manner in which he handled claims.

REJECTED RISKS

Louis Miller, state agent of the Union of Paris in Atlanta reports that his agent at Augusta, Ga., has written an all-risk contract for \$500 on a tombstone in the beautiful Augusta cemetery, covering damage from any cause whatsoever—hurricane, tornado, earthquake.

Controversial Features in N. Y. Code Hearing

(CONTINUED FROM PAGE 6)

Superintendent Pink declared himself in 100 percent accord with Mr. Bennett's views, while another department representative asserted a considerable number of companies were already in shape to comply with the proposed statute. The counter to the plea for investment of reserves by fire and casualty companies in the same class of securities as demanded of life offices, is the fundamental difference that exists. Life companies are not subject to the catastrophe hazard as are the other classes of institutions, and hence have not the same need for liquid investments.

Outstanding Premiums

Yet another question that provoked animated discussion was the proposed limitation to 60 days as the period within which companies could take credit in annual statements for outstanding premiums. While companies, as various representatives asserted, would welcome any action that would hasten the flow of earned premiums into their coffers, yet the practice of granting local agents 90 days within which to report, was general, and any lessening of the period by a single state, would throw a monkey wrench into the whole machinery. Department representatives contended that in a large percentage of cases, premiums were collected by agents within 60 days, and they saw no real reason why these should not be promptly sent to the companies. The interest earned thereon by the companies, while slight, perhaps, would yet be taken into consideration in the building of the rate structure.

Casualty and surety officials, as well as fire men, opposed any change in the present practice. Mr. Bennett, while not prepared to speak upon the subject at this time, said he would like to do so at a later date. Hearings were adjourned until after election, the exact date to be later announced by Chairman Piper.

Part of Adjuster and Agent in Loss Settlement Told

(CONTINUED FROM PAGE 10)
policy provisions there may be no liability to the assured.

He referred to the contention sometimes advanced that the fire policy is not a contract but a form entirely of the companies' making. Such a conclusion, he said, is utter fallacy. He referred to the statutory requirements and the wording of the policy, which definitely classes it as a contract. The policyholder is presumed to be aware of the conditions found in the contract and may not place upon any portion of it an interpretation not found in it or in decisions which may apply.

Adjusters Often Make Mistakes

As to the adjuster's part in loss settlements, he said that the adjuster represents the company after the fire just as fully as the agent does before. Anything he says or does binds the company. Adjusters are not infallible and have made mistakes after a fire which have the same gravity as those the agent may have made at the time the policy was written before the fire. Mr. Kline cited a number of instances along this line from his own experience. He said that the routine of the Fire Companies Adjustment Bureau is intended to make claim adjustments as nearly foolproof as possible.

In summarizing the part of the agent and the adjuster, he said that a sincere agent will correctly write the policy, fully inform the assured as to the nature of it, will render every service necessary to keep the insurance contract in good standing and will also assist, when that assistance is required, in adjusting a loss. The adjuster will cor-

rectly apply the conditions of the policy to the loss as he finds it, reminding the claimant of errors of both omission and commission, and fully inform all interests of what has been done. The open minded adjuster will always welcome an agent's constructive criticism. The carrying on of the business is their common task and agents and adjusters cannot disregard each other.

No Radical Changes in Program, Liscomb Promises

(CONTINUED FROM PAGE 8)

"Members of the executive committee," declared Mr. Liscomb, "are drafted. There are, and can be, no candidates for office in the National association. It is not a political body where a change in administration means that there must be any change in alignment. The same is true with the selection of heads of regular and special committees. Our predecessors have chosen the men they have felt best suited to do the job in hand and we will not deviate from this procedure."

Stewart and Forshay Cited

As an example of the different backgrounds of men chosen for important National association work, Mr. Liscomb mentioned, although not by name, W. H. Stewart, an important Chicago agent, who as chairman of the surety committee was given the difficult task of negotiating with the companies for a settlement of the question of commissions on large contract bonds, and R. W. Forshay, Anita, Ia., who became chairman of the rural agents committee. The wisdom of these two choices was shown by the fact that Mr. Stewart received the Woodworth Memorial plaque, presented annually for the most outstanding service to the insurance business, while Mr. Forshay extended the activities of his committee far beyond farm writing and is now leading the National association on its important campaign for membership among the service to general writers of insurance in small centers.

Dallas Meeting High Point

The recent Dallas convention, Mr. Liscomb declared, marks another high point in the history of the National association. While there is some dispute as to whether registration exceeded all other conventions, the important point, according to Mr. Liscomb, is that there was a bigger attendance in the convention hall when the session opened and a bigger crowd on hand when it closed than ever before. The attention and the general debate over the proposed revision of the constitution is another example of the interest which the members are displaying in the organization.

The agreement of the companies to confer with the agents over the proposed new agency contract was cited by Mr. Liscomb as an example of the strength of the National association. Many members, stated Mr. Liscomb, were skeptical when a conference was suggested, remembering that the promised conference over the branch office situation after the 1932 convention failed to materialize, but the happy ending to the agency contract matter shows the strides the National Association has made.

Mr. Liscomb paid tribute to the prominence Missouri has always played in the National association, pointing out that more of the 20 founders of the organization came from Missouri than from any other state, that almost half of the first 100 members were Missourians and that the National association has met in the state four times, more often than in any other single state. Two Missourians, G. D. Markham, St. Louis, and C. C. Jones, Kansas City, have been presidents. He also praised the state administration of M. L. Clevlen and thanked him for his contributions to the mid-year meeting at Omaha and the National meeting at Dallas.

Western Insurance Bureau Holds Fall Meeting

(CONTINUED FROM PAGE 3)

The directors of the W. I. B. gave approval to that plan and authorized Mr. Clark at the special meeting at Hot Springs in September to convey that expression of approval. The special committee of the Underwriters Salvage was instructed to take the necessary steps to complete the reorganization of Underwriters Salvage and submit their report to a meeting of the stockholders.

The W. I. B., according to Mr. Clark, is strongly opposed to the proposal to sell Uniform Printing & Supply Co. to private interests.

At the special meeting in Hot Springs in September a resolution was adopted expressing the sentiment that the operation and conduct of the Uniform Printing & Supply Co. should be limited to the provision of a central service to its stockholders and not as a competitive activity.

Reports from most every quarter indicate premiums are increasing and loss ratios are lower than last year. Various committee reports were presented and approved. H. A. Clark's report on behalf of directors was approved, the membership being unanimous in its approval of the action taken by the directors with respect to the Uniform Printing & Supply Co. and the Underwriters Salvage Co.

Mr. Clark concluded his report with a history of the bureau. He recalled that it was organized in 1910 during a period of turmoil and strife in the business, to promote the principles of co-operation and to be helpful to its membership and their agents, to afford counsel and protection and generally to foster good practices.

Small and Large Companies

Throughout its career full consideration has always been given by the bureau to the interest and welfare of the small company as well as the large one.

Each company that joined the bureau had to make some sacrifice in the way of giving up some one or more of their "pet theories or methods so that the utmost good could be obtained." Among those attending the organization meeting in Chicago were Col. E. G. Halle, Charles E. Sheldon, Neal Bassett, J. J. McDonald, O. C. Kemp, F. M. Gund, H. W. Letton E. E. Cole and G. H. Batchelder.

Essentials of the Organization

The organizers summarized their views as to the essentials of the organization: "Absolute good faith each with his fellow—a situation where 'Yes' means 'Yes' and where 'No' does not falsify, a complete spirit of cooperation, prompt and effectual. A unity of purpose which will prove irresistible. Fearless aggressiveness against any company or companies which will not aid in maintaining good practices."

Twenty-one companies were represented at the first meeting and Illinois was the only state taken under supervision. A limited scale of commissions and preliminary rules and regulations were agreed upon. Soon Indiana was added and later other states in the west. Subsequently all of the 18 states in middle western territory were included.

The joint conference agreement was effectuated in 1912 for the purpose of having the Union and the W. I. B. "come into harmony with respect to the conduct of certain parts of their common business, in order that ultimate results may be secured which shall prove beneficial not alone to themselves, but to their agents and patrons as well."

The agreement was abrogated in 1923.

The W. I. B. took over the management and control of the Western Sprinkled Risk Association, which had been in existence since 1904.

Underwriters Adjusting

The Underwriters Adjusting Company was organized in 1919. At first

the stock was owned by individual companies. Later it was taken over as a corporation owned by the W. I. B. In 1930 the stock was distributed to the then members of the bureau on a pro-rata basis. Underwriters Adjusting, he observed, has been most successful in its operations, is in a flourishing condition today and is an important and vital factor in adjustment circles in the middle west.

In 1930 the W. I. B. was reorganized under the title of Western Insurance Bureau, Inc. It has acquired, he said, a permanency in the business that is beyond dispute. "It has succeeded in accomplishing reforms in our business which are of inestimable value, representing as it does, honesty and progressiveness in all of its undertakings. Numerical strength cannot be accepted as the gauge of its true strength, effectiveness, and influence upon the insurance matters in the middle west."

The formation of the bureau brought about a happy medium by reconciling the two extremes of too much control and dictation of the business and too little government of it, he said.

History Will Be Printed

Mr. Clark's history of the Bureau was enthusiastically received and ordered printed in book form and distributed to Bureau members and field men. The Bureau is giving a banquet to members and their wives here. This has been one of the most successful and well attended meetings the Bureau has ever had, and there was an abundance of enthusiasm and good will on the part of the entire membership. Report of subscribers committee was presented Wednesday by Secretary R. D. Hobbs with H. A. Clark, who is vice-chairman of the committee, as chairman of the meeting.

Agency Contract Is Agreed To

(CONTINUED FROM PAGE 3)

the fire companies of approving the form of contract accepted by the Treasury officials accompanied by an agreement as to the construction of clauses that may be challenged by the agents, might be adopted for the casualty and surety interests, and such result may come about.

Construction of Paragraphs

Paragraph (2) is to be construed as though it read:

"In the event of termination of this agreement, the agent having promptly accounted for and paid over premiums for which he may be liable, the agent's records, use and control of expirations shall remain the property of the agent and be left in his undisputed possession. It is a condition of this agreement that prior but not subsequent to the termination hereof, the agent shall refund ratably to the company, on business heretofore or hereafter written, commissions on cancelled liability and on reductions in premiums, at the same rate at which such commissions were originally retained."

Paragraph (4) shall be construed as though it read: "Company shall not be responsible for agency expenses such as rentals, transportation facilities, clerk hire, solicitors' fees, postage, advertising, exchange, personal local license fees, or any other agency expenses whatsoever."

The effect of the construction above set forth removes from the original agreement each of the objections Secretary Bennett heretofore raised to it. The operating company-agency relationship heretofore existing will remain unimpaired.

Magrath Comments on New York Code Features

(CONTINUED FROM PAGE 3)

the elements of that cost. If convinced that the cost includes overpayment to the producer for services in administering the indemnity fund, the assured becomes a willing listener to plans for reducing his costs either through mutual insurance or unorthodox device. Both company and producer, he declared, must some day modify the expense elements if they are to retain the business. The unsound method of competitive rate cutting is fraught with dangers and should be replaced by legitimate, defensible discounts, he added.

Speaking further, Mr. Magrath said: "Many assured want, and will not be denied, a coverage having a normal loss deductible average. These cannot be condemned for objecting to the payment of commissions, premium taxes and administration expenses on premiums which represent coverage on normal events that are definitely predictable occurrences in their business. They want insurance against only abnormal consequences."

Comment is Made on Separation Practice

Mr. Magrath touched on the question of separation and had some very illuminating comment on this subject. He said:

"There is a movement designed to have agents divest themselves of representation of any but so-called orthodox companies. This is motivated by a natural and understandable impulse of company management and if conducted along educational lines and accompanied by an inclination to meet the problems of the agent in each case, may enjoy a fair measure of success. I am inclined to believe, however, that where separation is put on an ultimatum basis 'quit those companies or we leave your agency,' the response is apt to be an invitation quite as discourteous. Many people can be convinced or persuaded who cannot be intimidated or coerced. Somewhat related to this subject is the 'in one in all' movement."

Organizations Are Now Drifting Apart

"The movement to integrate the activities of various rating and underwriters associations grows out of the realization that instead of coming closer together many of the organizations are drifting further apart. Companies have elected to become members of certain bodies they consider helpful to them and have elected to remain out of others. Some associations do not render sufficiently important services to make membership valuable; some fail to afford members reasonable security against attacks upon their business by those within and without the association; some are disposed to freeze business with old members allowing no opportunity to newcomers; some are composed of members who treat lightly their solemn pledge of conformity. A correction of defects wherever possible and a fair and tolerant discussion of conflicting principles will secure better results."

"One thought in particular I would like to express. Knowledge of the fundamental principles of all classes of business and all methods of operation in insurance is of greatest importance. With this knowledge comes tolerance and with tolerance will come a greater ability to solve complex problems and involved situations. The prejudice that grows from lack of understanding will diminish if not disappear. Insurance originated on the principle of the brotherhood of man. It should not perish from the estrangement of its disciples."

Read "The Standard Fire Policy"—every opinion backed by actual legal decisions, references and citations. 182 pages, \$1.50. The National Underwriter.

Michigan Reference Book

The National Underwriter Press Issues 1937 Edition of This Comprehensive Compendium of Information

The Underwriters' Hand-Book of Michigan for 1937 was published this week by THE NATIONAL UNDERWRITER. This well-known book brings the data on Michigan insurance-wise up to date in 664 pages crammed full of interesting and vital material.

The new book contains the complete list of all agents in the state—fire, casualty and life, stock, mutual and reciprocal—and the list of companies which each represents as well as the data on other business transacted, if any, officers of the firm, date established, address, etc. This list is arranged alphabetically by towns. Also given is the complete list of companies licensed to operate in the state together with their financial statements, officers, field representatives, address, etc. The list of field men of the fire and casualty companies and the managers and general agents of the life companies are listed separately in alphabetical order as a cross-reference.

Statistical Section

Other features of this book include the statistical section which shows the premiums and losses of the fire companies for the past five years together with the business of 1936 classified, casualty premiums and losses classified for two years and life insurance paid for and insurance in force for six years; the classification of each town as to fire protection; a resume of the insurance laws of the state; a showing of what lines each company writes; lists of national and local insurance organizations with their officers and addresses; and lists of insurance attorneys and adjusters.

The Michigan Hand-Book was one of the earliest publications of its kind in the middle west, being first published in 1895, just about four years after the Indiana Hand-Book, which was published in 1891 and was the earliest insurance reference book in this section. This new edition is the twenty-fourth, the book having been published every two or three years in the early days.

The Michigan Hand-Book is the recognized reference book on insurance in the state and as such is valuable to agents, companies, field men, general agents and all others interested in insurance in the state.

Dry Chemical Extinguishers

A demonstration to test the effectiveness of dry chemical extinguishers on extra hazardous risks involving electrical, gasoline and oil fires was recently conducted by the Diener-Dugas Fire Extinguisher Corporation of Chicago.

Because dry-chemical extinguishers incur no water damage which frequently results in losses greater than actual fires, they are non-conductors and can be used on live electrical equipment without danger of flash-over, and do not require periodical recharging of engine, they are accepted with increasing approval from public service companies, oil refineries, paint manufacturers and other extra hazardous plants.

Equipment was effective in extinguishing flames from an eight-foot diameter crude oil vat sprinkled with gasoline that was used for demonstration purposes in approximately three and a half seconds. Successive attempts to reignite the contents were unsuccessful. Electrical fires, created by arcs, were readily extinguished. A display also featuring celluloid film as a highly flammable material was treated for dry chemical effectiveness. Extinguishers used employed a nitrogen extinguisher gas while smaller ones used the carbonic gas CO₂.

Under a B and C classification by the National Board, equipment with a dry chemical capacity of 350 pounds will handle an oil fire of 1,500 square feet in area.



Collector's Items

HERE'S A HINT to those whose hobby is collecting commissions—

One by one, carefully lift each of the cards in the policyholder's or prospect's file. Underneath many you will find hobbyists. They may collect antiques, stamps, coins, old firearms, prints or books; they may go in for expensive hunting, fishing or photographic equipment.

A liberal application of Hobby Insurance will provide an agent with many choice dollars for his own collection.

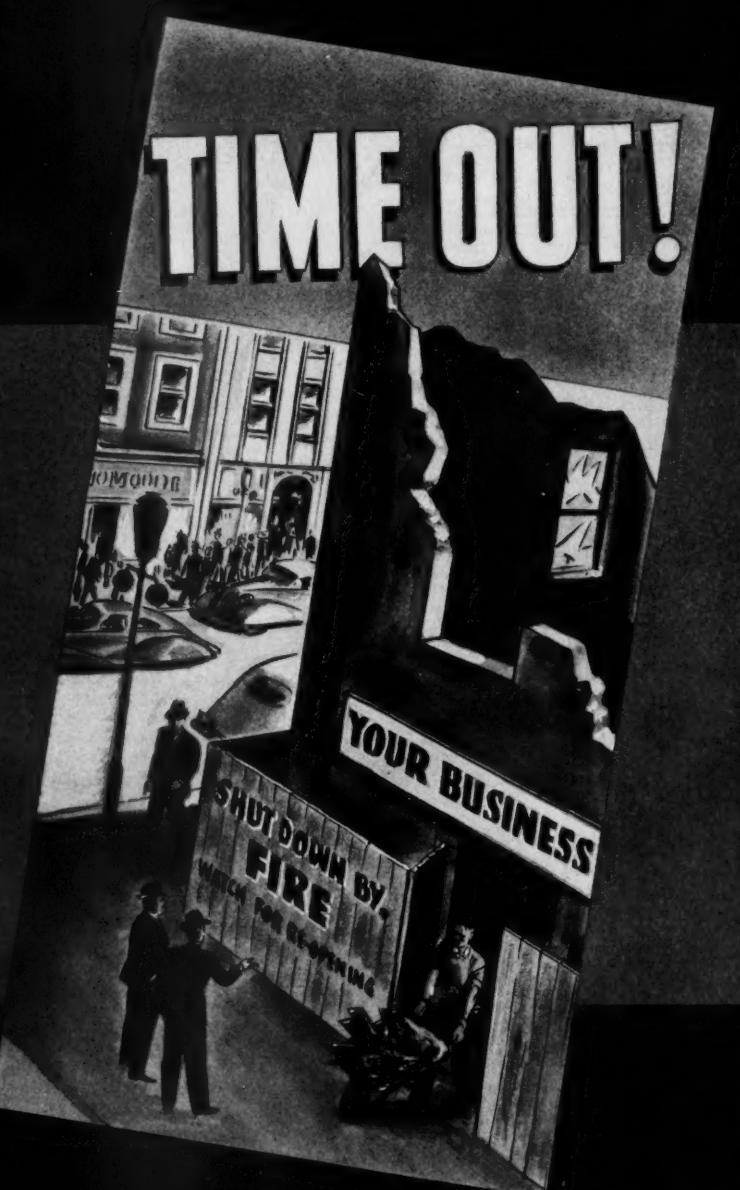
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A Timely Sales Help

Canneries are working at top capacity...manufacturers are now increasing production...stores are buying and planning for the coming Christmas rush! Because of improved business conditions, income protection is far more vital today than in past years.

This is the logical time to sell essential Use and Occupancy coverages. To assist agents in presenting this protection, fire companies of Fireman's Fund Group have just issued a new envelope insert that briefly and convincingly describes the importance of Use and Occupancy insurance.

Copies of this helpful selling aid will be sent to agents upon request.



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